

Plans for domestic equity investing also on the rise; cash and international falling

PLANS FOR INVESTING DURING THE NEXT SIX MONTHS

All Respondents

ASSET CLASS	INVEST MORE					KEEP CURRENT LEVEL					INVEST LESS BUT NOT ELIMINATE					ELIMINATE				
	JAN '07	JULY '07	JAN '08	JULY '08	JAN '09	JAN '07	JULY '07	JAN '08	JULY '08	JAN '09	JAN '07	JULY '07	JAN '08	JULY '08	JAN '09	JAN '07	JULY '07	JAN '08	JULY '08	JAN '09
U.S. Large Cap Equities	39%	32%	34%	30%	38%	54%	58%	52%	56%	48%	7%	9%	14%	13%	12%	1%	<1%	1%	1%	1%
U.S. Small Cap Equities	7%	7%	9%	22%	27%	58%	59%	49%	57%	54%	33%	32%	38%	19%	16%	2%	2%	4%	2%	3%
Fixed Income	16%	18%	27%	20%	42%	68%	66%	58%	60%	45%	15%	15%	14%	19%	12%	1%	2%	1%	1%	1%
Cash	11%	16%	28%	22%	20%	68%	69%	55%	54%	46%	19%	13%	16%	23%	32%	2%	1%	1%	1%	2%
International Large Cap Equities in Developed Markets	31%	29%	29%	21%	17%	62%	64%	59%	66%	55%	6%	6%	11%	12%	23%	1%	1%	1%	1%	4%
International Large Cap Equities in Emerging Markets	18%	19%	20%	20%	14%	60%	63%	58%	61%	50%	18%	15%	18%	15%	25%	5%	3%	4%	3%	11%
International Small Cap Equities in Developed Markets	16%	16%	12%	14%	12%	64%	66%	58%	65%	52%	17%	16%	25%	18%	26%	3%	2%	4%	3%	10%
International Small Cap Equities in Emerging Markets	10%	12%	11%	14%	9%	58%	61%	55%	61%	49%	25%	20%	25%	19%	26%	7%	6%	9%	6%	16%

Source: Q8: For each of the following asset classes, please choose the response that best describes how you plan to invest in that asset class for your clients in the next six months. (Base = All respondents: Jan '07 = 1387; July '07 = 1044; Jan '08 = 1006; July '08 = 1010; Jan '09 = 1240)

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Advisors expect to invest more in ETFs and high yield bonds; commodities and REITs get less of a push

PLANS FOR INVESTING DURING THE NEXT SIX MONTHS—JAN '09

All Respondents

INVESTMENT VEHICLES	INVEST NOW AND PLAN TO...					DO NOT INVEST NOW BUT PLAN TO...	
	TOTAL CURRENTLY INVEST	INVEST MORE	CURRENT INVESTMENT LEVEL	INVEST LESS	ELIMINATE	WILL BEGIN TO INVEST	WILL NOT BEGIN TO INVEST
ETFs	79%	34%	39%	5%	1%	5%	15%
REITs	63%	12%	37%	12%	3%	8%	29%
High Yield Bonds	62%	24%	27%	7%	3%	9%	30%
Commodities	51%	16%	26%	8%	2%	7%	42%
Real Estate	50%	8%	29%	11%	3%	5%	45%
SMA	45%	12%	25%	5%	3%	2%	54%
Mutual Funds that Employ Hedging Strategies	41%	10%	21%	5%	5%	3%	56%
Donor-advised Funds	31%	3%	20%	5%	4%	2%	67%
Private Equity	28%	4%	14%	5%	5%	3%	69%
Hedge Funds	28%	2%	12%	6%	7%	1%	72%
Mutual Fund Wrap Products	28%	4%	15%	4%	5%	2%	70%
Foreign Currency/Foreign Currency Money Market Funds	25%	4%	13%	5%	4%	3%	71%
Options	27%	6%	13%	3%	5%	3%	70%
Structured Notes	25%	3%	12%	5%	4%	3%	72%
ETF Wrap Products*	23%	4%	13%	2%	4%	3%	75%

Source: Q9: For each of the following investment vehicles, please choose the response that best describes how you invest for your clients now and what your plans are for the next six months. (Base = All Respondents; July '08 = 1010; Jan '09 = 1240)

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*New to Jan '09.