



dianomiTM UK Investor Survey

H1 2012 - Euro crisis and recession ahead?

dianomiTM goes direct to the customer to find out what they most desire in terms of investment themes, assets, sectors and services.

Summary

In the first days of 2012 **1,840** investors responded to 10 questions covering a range of topics including current economic fears, how they manage their pension, how frequently they trade shares as well as their buy/sell responses for asset classes, sectors and currencies.

Fear of a **euro crisis** has increased with 29% of investors listing it as their primary economic fear followed by **recession** with 19%. In fact, **43%** of investors believe the **eurozone will break-up in 2012**. Meanwhile, the fear of inflation seems to have receded.

With the prospect of a recession brought on by a major economic crisis in Europe or even the

break up of the Eurozone, investors appear to be moving quickly away from the Euro to **safe-havens** like the **US dollar**, other cash assets like fixed rate saving bonds and also **equity income** products.

Investors are increasingly moving to **defensive sectors** like **Pharmaceutical** and **Utilities** and further away from the Europe, Retail and Financial sectors. Investor appetite for gold and silver appears to have decreased since July.

68% of investors responded that they can manage their pensions themselves using a SIPP trading account but that they trade fairly

infrequently with over half making less than **5 trades a year** or just buying funds. **80%** of investors surveyed responded that they did not think charges on managed funds are clearly disclosed to investors..

We hope you find the survey results insightful.



Cabell de Marcellus
Co-Founder

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About dianomi™

dianomi™, established in 2003, works with wealth managers, brokers, advisory services, asset managers and other financial service providers to enable them to engage mass affluent and emerging affluent consumers. As part of our service we send regular surveys to our investor database to discover which sectors and themes investors are either investing in or are curious to learn more about.

Nearly a quarter of the survey respondents are in the UK's top 5% most affluent, and a third are in the top 10% most affluent. (Data provided Experian Financial Strategy Segments).



ST. JAMES'S PLACE
WEALTH MANAGEMENT



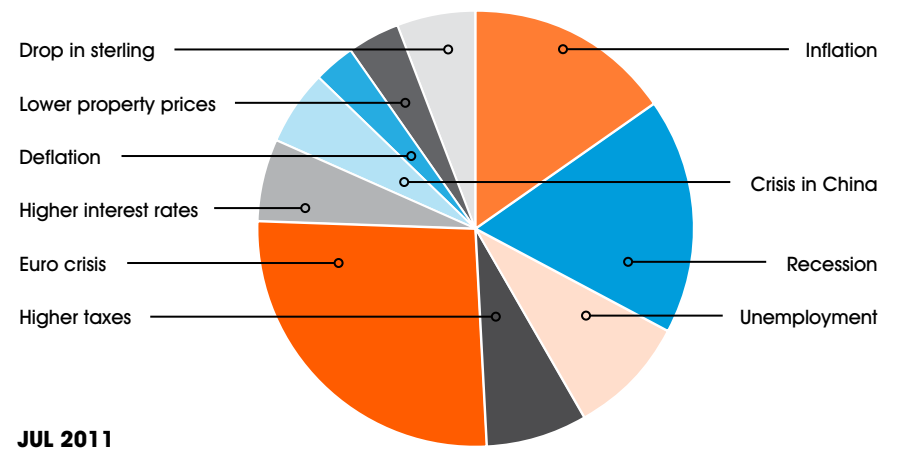
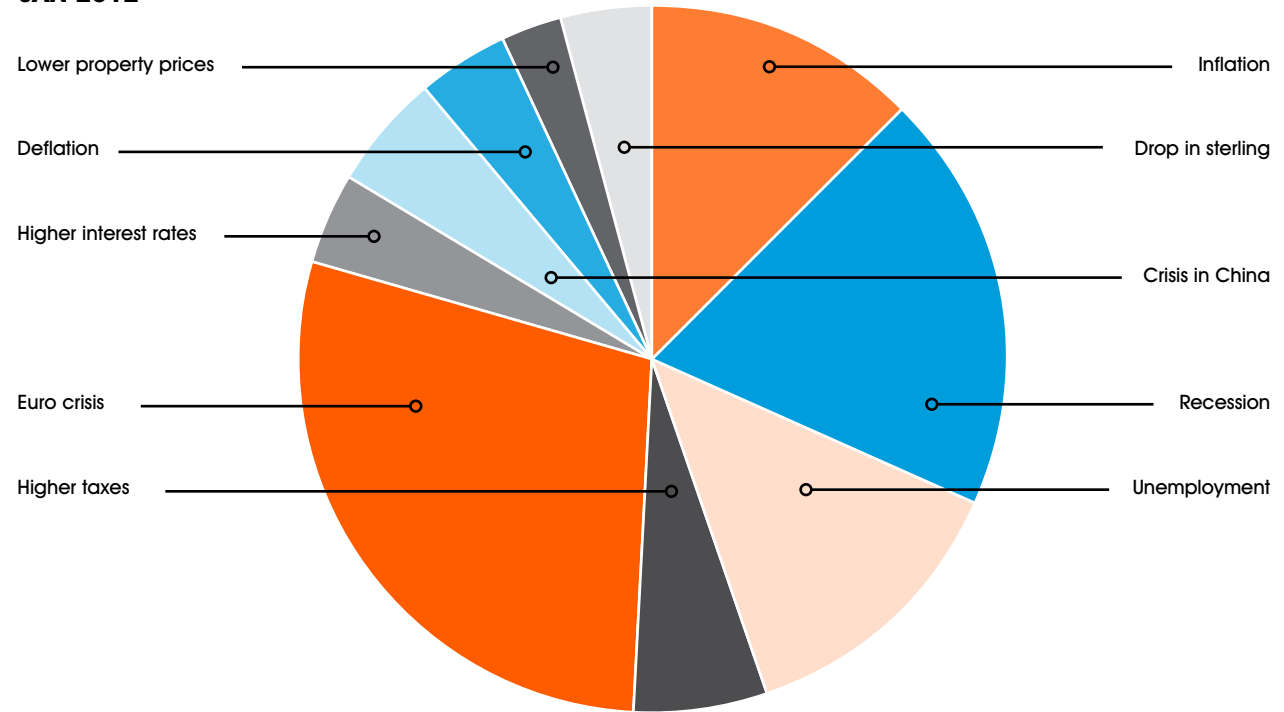
1.

Which of the economic outcomes below do you fear the most?

Fear of a euro crisis has increased with 29% of investors listing it as their number 1 fear. Fear of recession (19%) and unemployment (13%) have also increased. Fear of inflation and higher taxes have both continued to decrease.

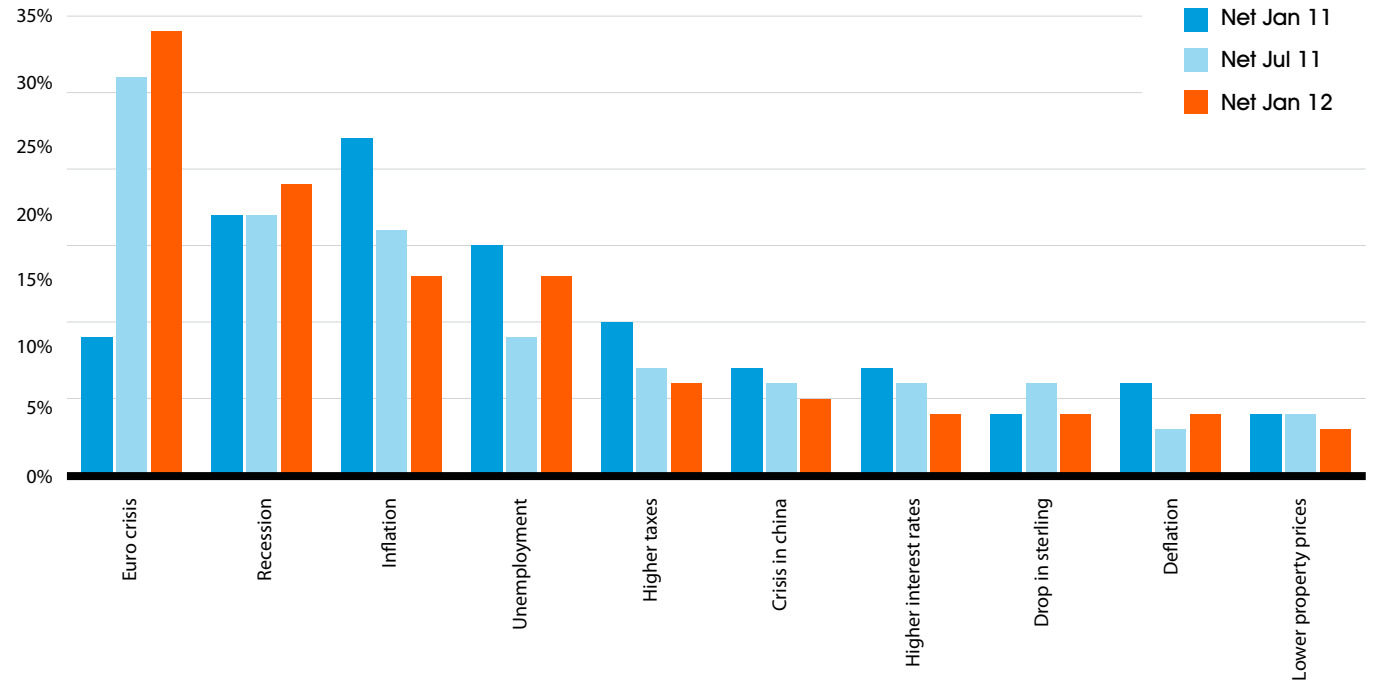
Female investors still report that their greatest fear is unemployment.

JAN 2012



JUL 2011

Question 1 continued



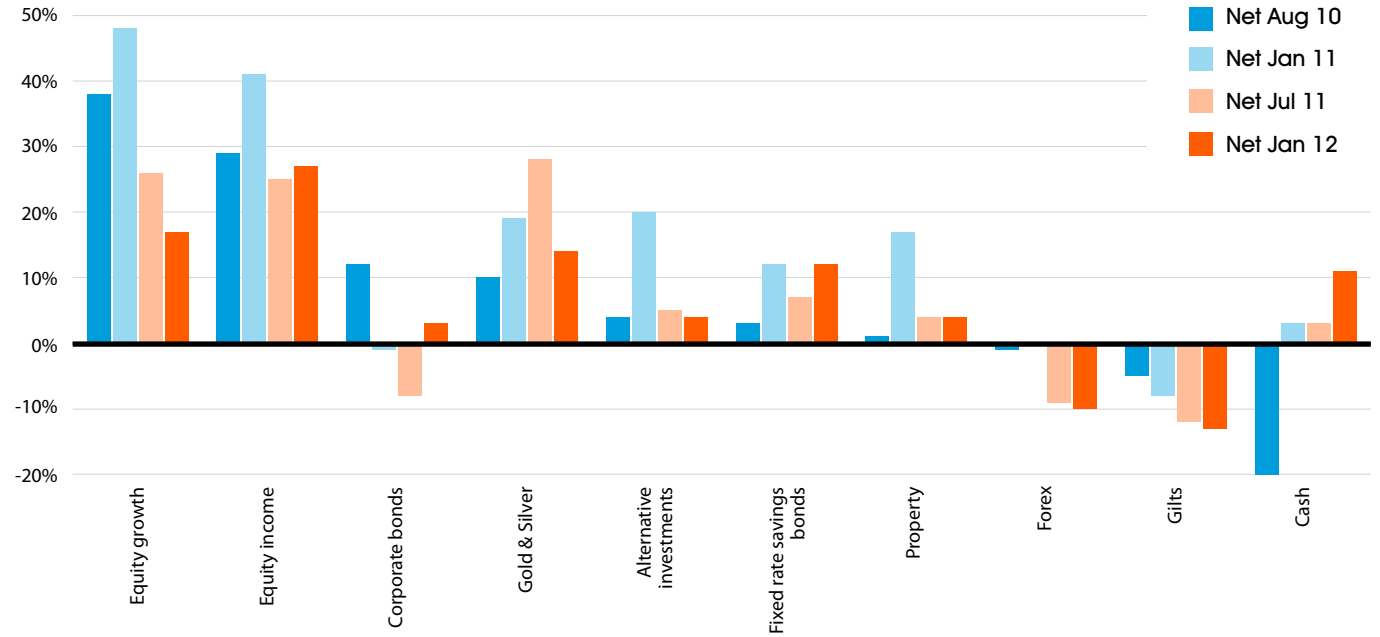
Do you fear:	Jan 2011	Jul 2011	Jan 2012
Euro crisis	9%	26%	29%
Recession	17%	17%	19%
Inflation	22%	16%	13%
Unemployment	15%	9%	13%
Higher taxes	10%	7%	6%
Crisis in China	7%	6%	5%
Higher interest rates	7%	6%	4%
Drop in sterling	4%	6%	4%
Deflation	6%	3%	4%
Lower property prices	4%	4%	3%

2.

Which asset classes are you considering investing in or moving away from?

Investors appear to be moving increasingly to safe and defensive assets including equity income products, fixed rate saving bonds and cash while moving away from equity growth products and gilts. The move to gold and silver witnessed in July has decreased substantially.

Female investors appear to prefer fixed rate saving bonds and property.



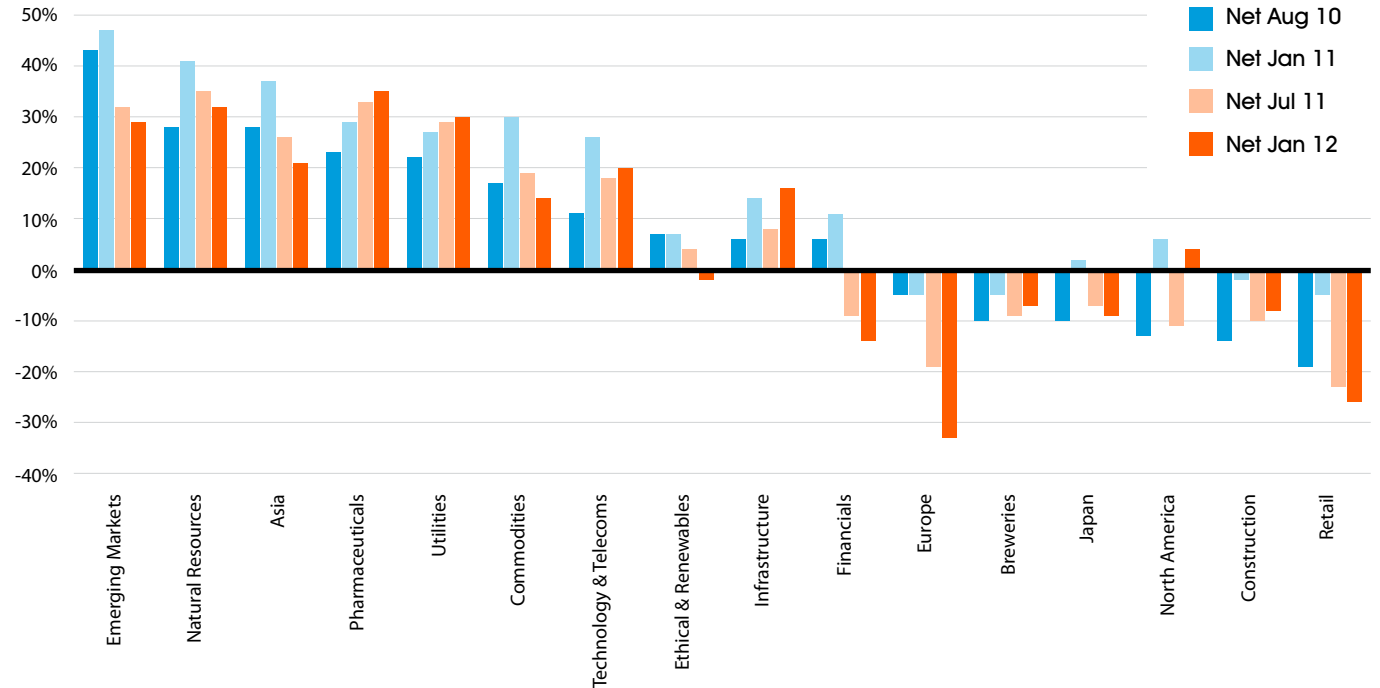
Asset class	AUG 2010			JAN 2011			JUL 2011			JAN 2012		
	BUY	SELL	NET	BUY	SELL	NET	BUY	SELL	NET	BUY	SELL	NET
Equity growth	51%	13%	38%	55%	7%	48%	40%	260	15%	37%	20%	17%
Equity Income	37%	8%	29%	47%	6%	41%	38%	218	12%	41%	14%	27%
Corporate bonds	24%	12%	12%	16%	17%	-1%	16%	409	23%	23%	19%	3%
Gold & Silver	19%	10%	9%	30%	11%	19%	38%	177	10%	30%	16%	14%
Alternative Investments	17%	13%	4%	29%	9%	20%	22%	297	17%	22%	18%	4%
Fixed Rate Savings Bonds	29%	26%	3%	28%	17%	12%	30%	405	23%	32%	21%	12%
Property	24%	24%	0%	32%	15%	17%	29%	443	25%	30%	26%	4%
Forex	8%	9%	-1%	13%	12%	0%	9%	320	18%	10%	21%	-10%
Gilts	8%	13%	-5%	9%	18%	-8%	10%	383	22%	11%	24%	-13%
Cash	22%	42%	-20%	18%	15%	3%	27%	413	23%	33%	22%	11%

3.

Which sectors are you considering investing in or moving away from?

Investors report an even greater demand for the Pharmaceutical and Utilities sectors as well as for Technology & Telecoms and Infrastructure. Appetite for Emerging markets, Natural Resources and Asia is still strong even though demand for these sectors has decreased significantly over the last year. Meanwhile, investors are moving away from the European, Retail and Financial sectors in even greater numbers.

Investors aged under 50 still appear to prefer Emerging Markets.



Sector	AUG 2010			JAN 2011			JUL 2011			JAN 2012		
	BUY	SELL	NET	BUY	SELL	NET	BUY	SELL	NET	BUY	SELL	NET
Emerging Markets	49%	5%	43%	51%	4%	47%	41%	155	9%	40%	10%	29%
Natural Resources	32%	4%	28%	45%	4%	41%	41%	111	6%	40%	8%	32%
Asia	32%	4%	28%	41%	4%	37%	34%	145	8%	32%	11%	21%
Pharmaceuticals	29%	6%	23%	34%	5%	29%	40%	133	8%	43%	8%	35%
Utilities	29%	7%	22%	33%	6%	27%	37%	142	8%	39%	9%	30%
Commodities	25%	8%	17%	36%	6%	30%	30%	193	11%	27%	13%	14%
Technology & Telecoms	23%	13%	11%	33%	7%	26%	29%	191	11%	32%	11%	20%
Ethical & Renewables	15%	9%	7%	17%	10%	7%	18%	244	14%	16%	18%	-2%

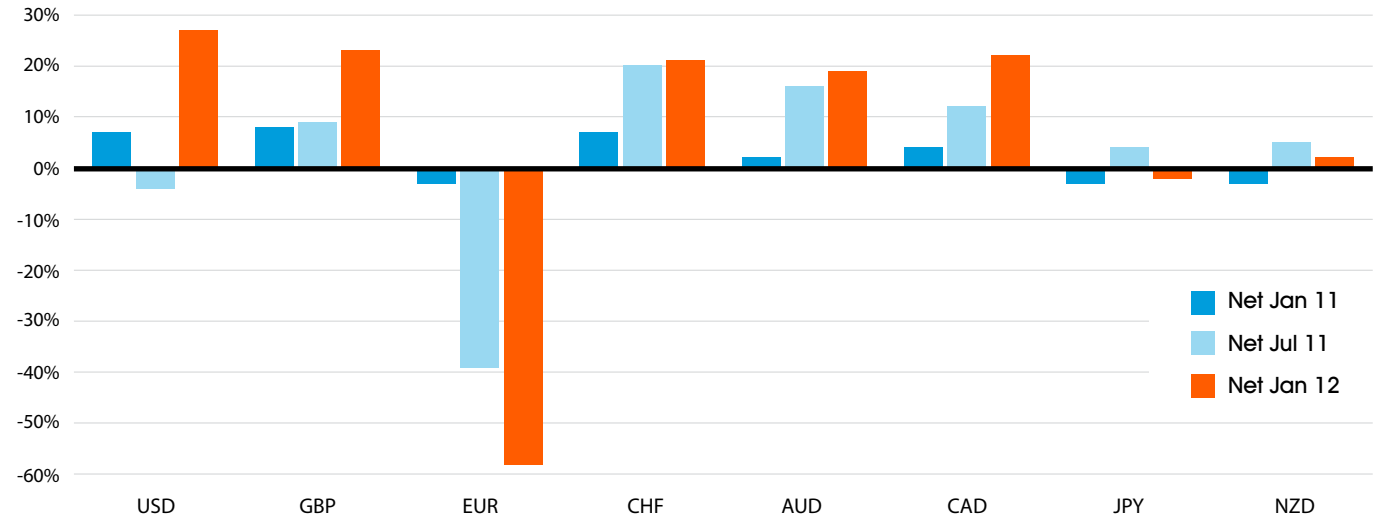
Question 3 continued

Sector	AUG 2010			JAN 2011			JUL 2011			JAN 2012		
	BUY	SELL	NET	BUY	SELL	NET	BUY	SELL	NET	BUY	SELL	NET
Infrastructure	15%	8%	6%	22%	8%	14%	20%	209	12%	26%	10%	16%
Financials	31%	25%	6%	23%	13%	11%	16%	457	26%	17%	30%	-14%
Europe	17%	22%	-5%	16%	15%	1%	11%	540	31%	8%	40%	-33%
Breweries	5%	14%	-10%	8%	13%	-5%	10%	345	20%	12%	19%	-7%
Japan	8%	19%	-10%	14%	12%	2%	14%	376	21%	13%	21%	-9%
North America	9%	22%	-13%	18%	12%	6%	12%	408	23%	21%	17%	4%
Construction	8%	22%	-14%	13%	14%	-2%	12%	384	22%	15%	22%	-8%
Retail	11%	30%	-19%	12%	18%	-5%	8%	562	32%	9%	35%	-26%

4.

Which currency will appreciate the most in the next 12 months?

Investors appear to be selling the Euro in even greater numbers while seeking refuge in safe-haven currencies, primarily the US Dollar, the British pound, the Canadian dollar, the Swiss franc and the Australian dollar respectively.

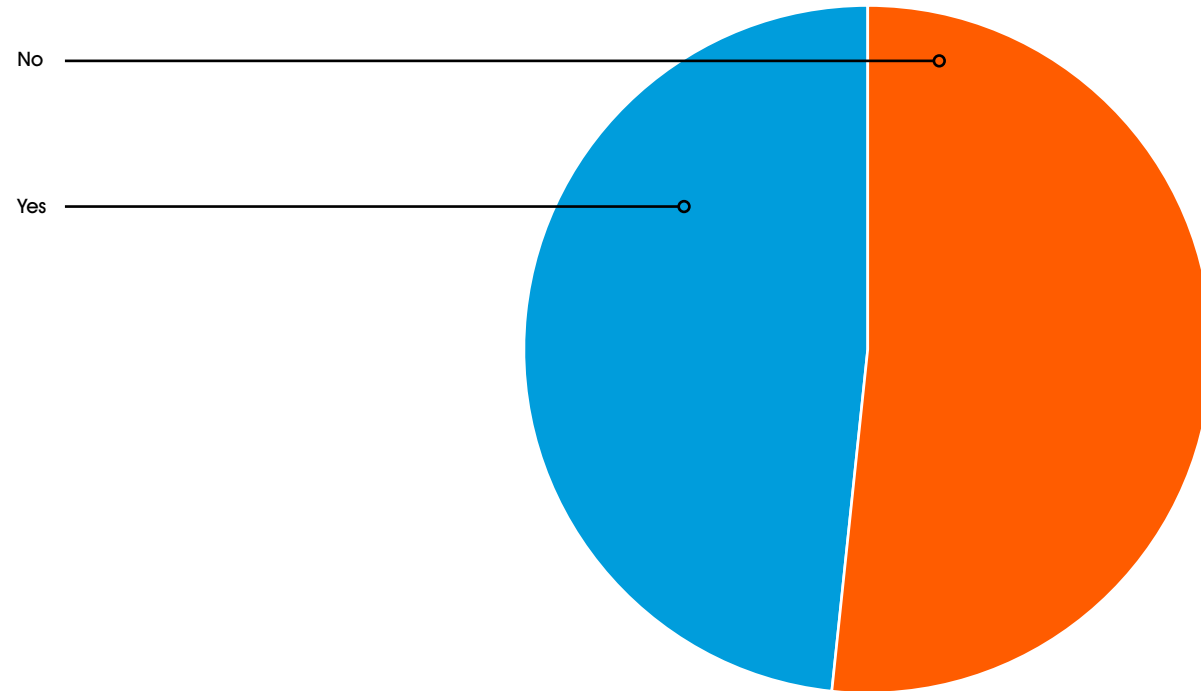


Currency	JAN 2011			JUL 2011			JAN 2012		
	BUY	SELL	NET	BUY	SELL	NET	BUY	SELL	NET
US dollar (USD)	19%	12%	7%	23%	27%	-4%	45%	18%	27%
Pound sterling (GBP)	18%	10%	8%	27%	18%	9%	40%	17%	23%
Euro (EUR)	17%	20%	-3%	9%	48%	-39%	8%	65%	-58%
Swiss franc (CHF)	13%	6%	7%	29%	8%	20%	34%	12%	21%
Australian dollar (AUD)	11%	9%	2%	26%	10%	16%	33%	14%	19%
Canadian dollar (CAD)	11%	7%	4%	21%	9%	12%	31%	10%	22%
Japanese yen (JPY)	6%	10%	-4%	19%	15%	4%	19%	21%	-2%
New Zealand dollar (NZD)	6%	9%	-3%	15%	10%	5%	17%	15%	2%

5.

Do you think the Eurozone will break up in 2012?

As fears over the euro crisis mount, 43% of investors surveyed believe that the eurozone will break up in 2012 (45% of investors aged over 50, and only 41% aged under 50).



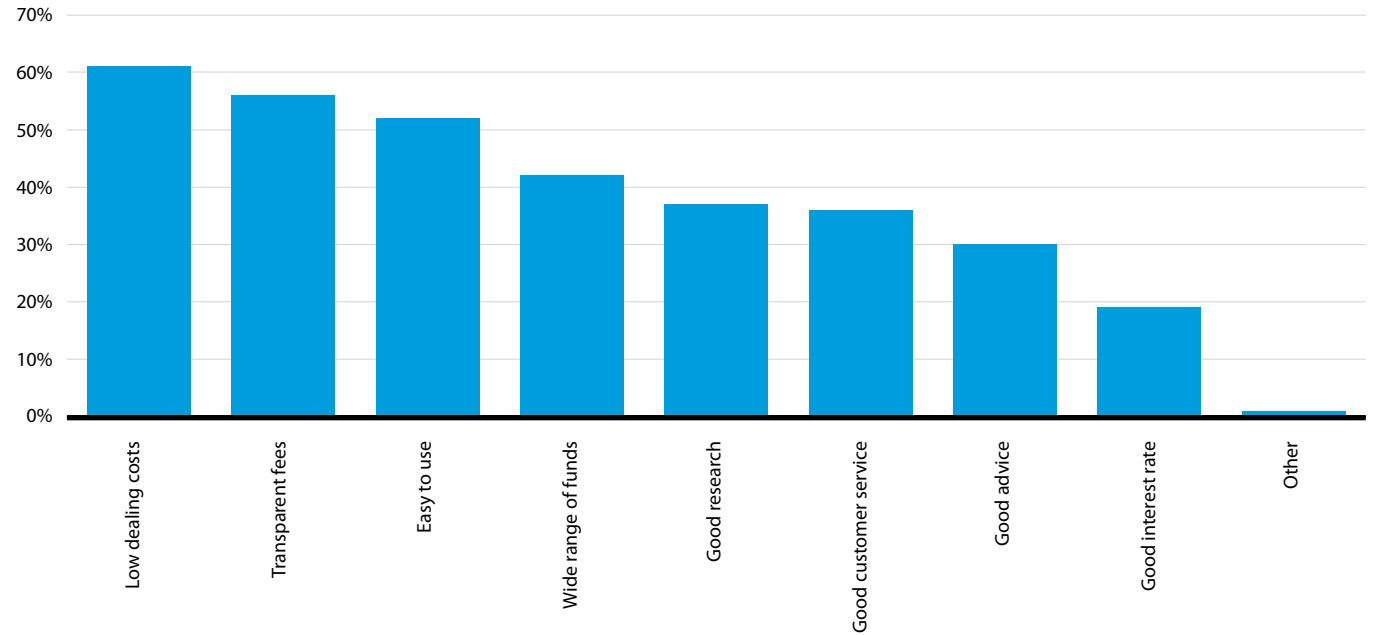
Response	Percent
No	57%
Yes	43%

6.

What are the most important features of an online fund supermarket?

Investors responded that the most important feature of an online fund supermarket was low dealing costs, followed by transparent fees, ease of use and a wide range of funds respectively.

Female investors responded that the most important feature was ease of use.



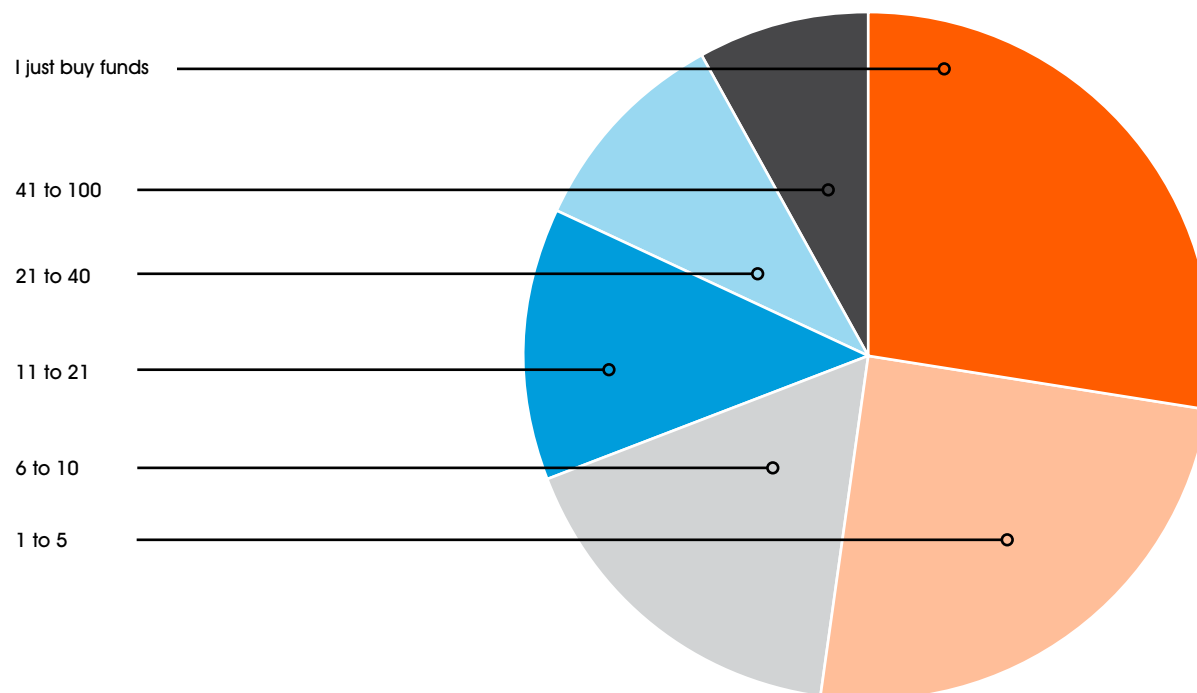
Item	Percent
Low dealing costs	61%
Transparent fees	56%
Easy to use	52%
Wide range of funds	42%
Good research	37%
Good customer service	36%
Good advice	30%
Good interest rate	19%
Other	1%

7.

How many share trades do you make a year? Or do you just buy funds?

Investors appear to trade shares fairly infrequently with the greatest number 28% saying they just bought funds, 25% saying they made just 1 to 5 share trades a year, followed by 17% trading only 6 to 10 times a year and 13% trading 11 to 20 times a year.

38% of female investors responded that they just buy funds while 38% only trade 1 to 5 times a year.



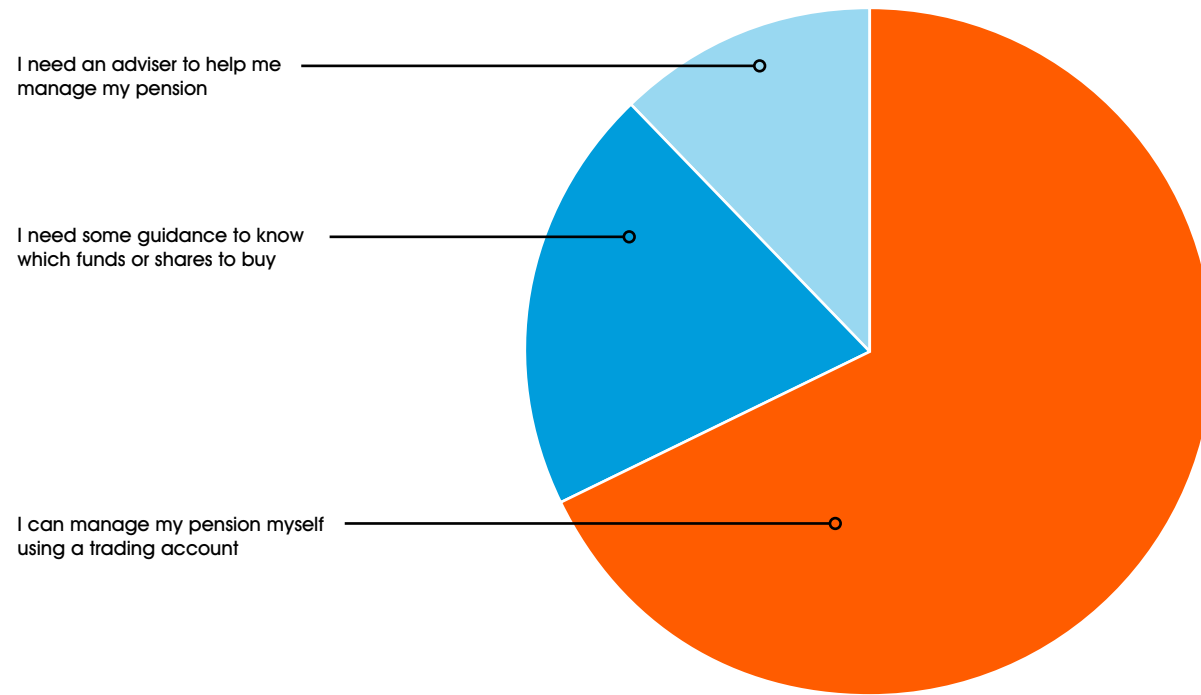
Number of share trades per year	Percent
I just buy funds	28%
1 to 5	25%
6 to 10	17%
11 to 20	13%
21 to 40	10%
41 to 100	8%

8

Do you think you are able to manage your pension via a SIPP (Self-invested Personal Pension) trading account or do you need some guidance?

Investors appear to be very self-reliant when it comes to managing their pensions with 68% of investors responding that they can manage their pensions themselves using a SIPP trading account, while 20% said they needed guidance and only 12% needed the help of a financial adviser.

Only 47% of female investors said they could manage their pension themselves while 33% said they needed guidance and 20% needed the help of an adviser. However, age unlike gender does not appear to have a similar effect on responses.



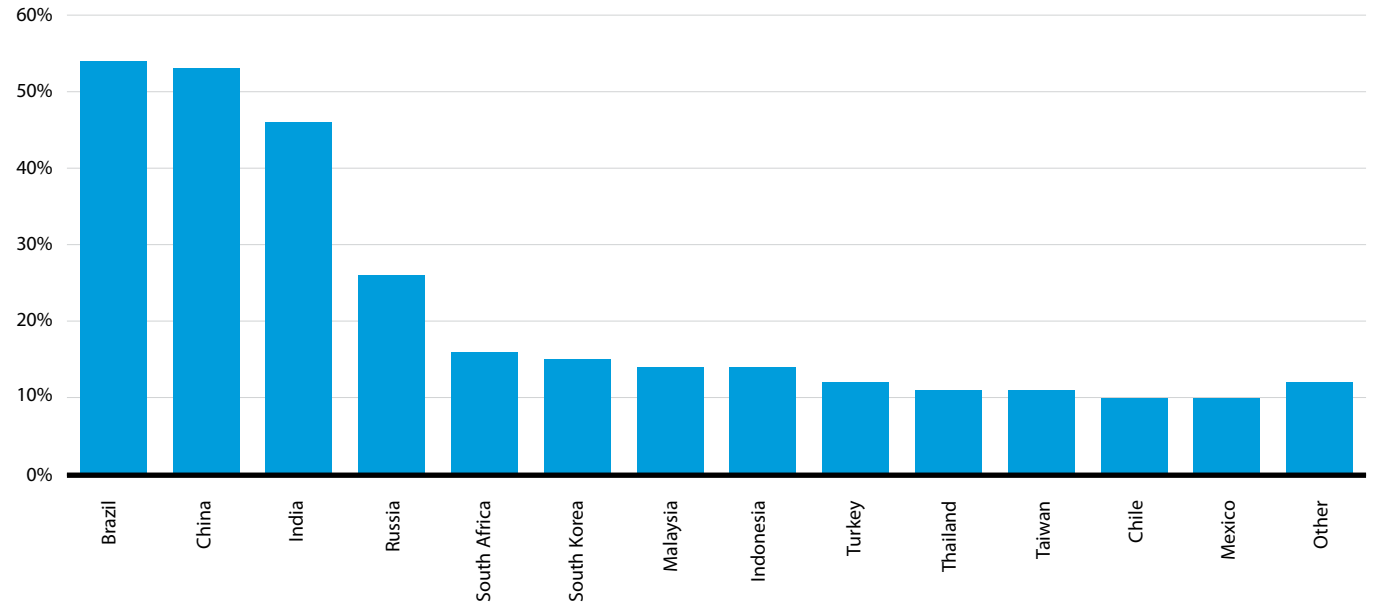
Response	Percent
I can manage my pension myself using a trading account	68%
I need some guidance to know which funds or shares to buy	20%
I need an adviser to help me manage my pension	12%

9.

Which emerging markets are you invested in?

When it comes to investing in specific emerging markets, investors appear to be investing primarily in Brazil, China and India with Russia trailing in a distant fourth place.

Female investors appear to prefer China over Brazil.



Emerging market	Percent
Brazil	54%
China	53%
India	46%
Russia	26%
South Africa	16%
South Korea	15%
Malaysia	14%
Indonesia	14%
Turkey	12%
Thailand	11%
Taiwan	11%

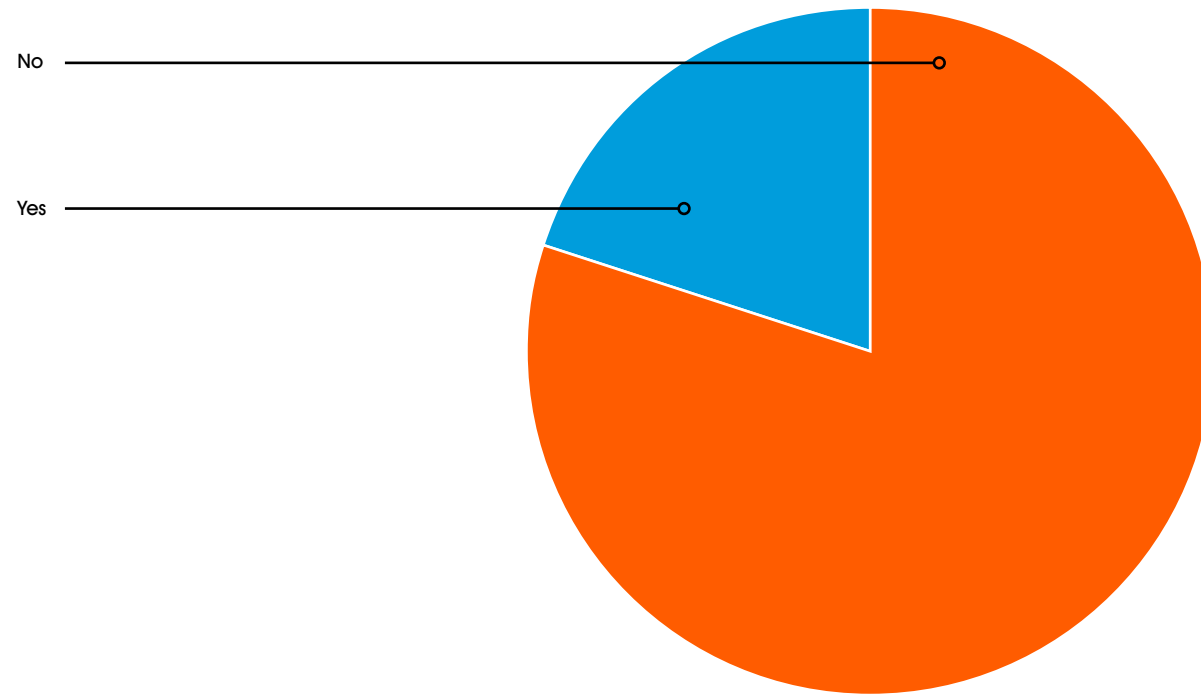
Question 9 continued

Emerging market	Percent
Chile	10%
Mexico	10%
Poland	8%
Philippines	7%
Egypt	6%
Peru	5%
Czech Republic	5%
Colombia	4%
Hungary	3%
Morocco	3%

10.

Do you think charges on managed funds are clearly disclosed to investors?

A surprising 80% of investors surveyed responded that they did NOT think charges on managed funds are clearly disclosed to investors.



Response	Percent
No	80%
Yes	20%

The Investor Survey Prize Winners

David from Lincolnshire came across dianomi™ when requesting a guide to investment trusts on the Moneywise website last February. He fears a euro crisis and would sell the euro, but doesn't think the eurozone will break up in 2012. David would like more information on investing in corporate bonds.

PAST WINNERS

Bernard from Devon came across dianomi™ when requesting a guide to financial advice on the Moneyfacts.co.uk website last December.

Rod from Nottingham came across dianomi™ when reading about IHT planning in July 2010.

Brian from Deal in Kent uses the Motley Fool website to keep abreast of current financial matters and first ordered a guide to investing in uncertain times in 2008.

Phillip from Royston in Hertfordshire likes using the Lovemoney and Motley Fool websites and first ordered brochures on ISAs in 2007.

Past Investor Surveys

For past surveys please go to: <http://www.dianomi.com/surveys>

- H2 2011 - Euro crisis looms
- H1 2011 - Fear of inflation
- H2 2010 - Stagflation ahead?
- H1 2010 - What's ahead for 2010?

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