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ALL STILL TO PLAY FOR IN THE VCT MARKET

- **44% (see below) of IFAs still undecided where to invest**

The VCT race is on with IFAs still to reach the home straight, according to IFA research by leading VCT manager NVM, which revealed that nearly half (44%) have yet to decide where they are going to invest their clients' money, and will not do so until just before tax year end. With 65% of IFAs yet to invest their clients' money, there is likely to be a last-minute dash for poll position among VCT managers.

For some IFAs, there is a favourite top three list of players but not all see the market as being that distinguished. Nearly one in three (31%) said they had a top ten list, but despite the publication of a range of detailed market reports, 18% find it difficult to differentiate between the different VCT providers, claiming none have achieved particular stand out this year.

Although the Chancellor's pre-budget statement did not cause the flurry of money into the market that some had expected, it certainly ignited interest amongst potential investors, as 20% of IFAs report having seen an increase in clients proactively asking about VCT investment since the announcement in December last year.

Tim Levett, Investment Director at NVM comments: "It has been a remarkable year for VCTs and Brown's non-committal to carry on the tax break in the pre-budget has fuelled the debate further. With current investment to date estimated around £209 million* and the market closing at £500 million last year, it suggests there is still money to be invested. Interestingly our research shows that nearly half of IFAs still need convincing which indicates the fruit is still there for the picking

The research highlighted there are two key criteria for IFAs when making their choice of generalist VCT manager, a strong management team and overall past performance of the manager. Loyalty does not rate particularly highly in the VCT market, as IFAs did not rate investing with a previous manager as a priority.

Tim Levett concludes: “Clearly advisers are wise to the many marketing tools employed by the various providers, especially at this busy time of year when they will be thinking about their clients’ VCT recommendations. It is very encouraging to see that their minds are focussed on the solid principles that should be the basis of any successful VCT provider – an established management and investment team and a strong track record of dividend payouts. As one of the longest-established VCT managers, NVM ticks both those boxes and we are looking forward to a last gasp of activity ahead of April 6.”

- ENDS -

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NOTES TO EDITORS

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