

PRESS RELEASE

Collins Stewart Wealth Management advocates cyclical and small cap stocks while interest rates remain low

London, Guernsey, Isle of Man, Jersey and Geneva – 15th February 2010:

Collins Stewart Wealth Management (“CSWM”) expects interest rates to remain low for the foreseeable future, and while risk premia have already begun to fall, we think they have yet to fully normalise. Global excess liquidity has provided a huge stimulus, but we feel it is more likely to be felt in assets rather than Consumer Price Inflation (CPI).

Robert Jukes, Global Strategist at CSWM said, “While we remain bullish on the global recovery, we do not see a sustainable push in core inflation necessitating premature interest rate rises for the remainder of this year.”

As with CPI inflation, asset prices (e.g. House prices, Oil) are determined by more than just interest rates. Other forms of monetary stimulus are also important – such as exchange rates. There are three key points to note: 1) both the level of interest rates and the value of the currency usually fall during a recession, in order to stimulate growth; 2) interest rates may have fallen to historic lows, but they have fallen by less than they did during the last recession; 3) at no other time during the last 30 years have interest rates and Sterling been so far below the average together.

Robert Jukes, continued, “This last point is very important, as interest rates and exchange rates together form the basis of what many economists call monetary conditions and we believe these conditions are, relative to historical levels, extremely loose. Loose conditions not only stimulate prospective growth, they also fuel risk assets; specifically cyclical rather than defensive stocks and small as opposed to large stocks.

“So while interest rates remain low, we suggest that the medium term goal for clients should be to sell risk premia and buy risk assets.”

ENDS

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Notes to Editors

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Collins Stewart Wealth Management ("CSWM") is a leading portfolio manager and stockbroker with an absolute focus on preserving and growing wealth. CSWM manages and administers £5.8bn¹ of assets through its offices in London, Guernsey, Jersey, Isle of Man and Geneva. More information on CSWM is available at www.collinsstewartwealth.com.
¹ as at 30/09/09

Collins Stewart Plc is a leading independent, financial advisory group listed on the London Stock Exchange. Collins Stewart Plc employs almost 700 staff in 10 international locations and is organised around four operational divisions: Advisory, Corporate Broking, Securities and Wealth Management, all served by its unique research tool, Quest™. More information at www.collinsstewart.com

* AWARDS FOR COLLINS STEWART WEALTH MANAGEMENT

Discretionary Portfolio Management

Daily Telegraph Wealth Management Awards

Best Discretionary Service	2009 Winner 2008 Runner-up 2007 Winner
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Money Marketing Awards

Best Discretionary Adviser	2009 Winner
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Financial Times/ Investors Chronicle Wealth Management Awards

Best Investment Manager	2008 shortlisted
Best Charity Manager	2008 shortlisted
Best Cautious Fund Manager	2008 shortlisted

Charity Times Awards

Best Investment Manager	2009 shortlisted, 2008 shortlisted
Best Professional Services	2007 shortlisted

Private Asset Managers (PAM) Awards

Best Investment Performance: Absolute Return	2008 shortlisted
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Advisory Stockbroking

Financial Times/ Investors Chronicle Investment Awards

Best Advisory Stockbroker	2009 Winner
Best for Advisory	2008 Winner (Gold)
Best for International Shares	2008 Winner (Gold)

Shares Magazine Awards

Best Advisory Stockbroker	2008 Winner
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Customer Service & Communication

Financial Times/ Investors Chronicle Investment Awards

Best Stockbroker for Customer Service	2009 Winner 2008 Winner (Silver) 2007 Winner
Best for Communication	2008 Winner (Silver)
Best Advisory Stockbroker Cost	2007 Winner

Daily Telegraph Wealth Management Awards

PRESS RELEASE

Best Marketing Materials

2008 Winner