



FOR IMMEDIATE RELEASE

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New ECB EU Economic Stats – avoid EU equities and property advises Evercore Pan-Asset

Today (14 August) we see the Euroland economy is already in decline. The briefing from the ECB in advance of the figures released this morning implied we were being readied for bad news. [*the Monthly Bulletin from the European Central Bank: <http://www.ecb.int/pub/pdf/mobu/mb200808en.pdf>*].

John Redwood, Evercore Pan-Asset's chairman, comments: "Evercore Pan-Asset will be looking to buy into equities in growth markets when we can see prospects of easier money and recovery on the horizon.

"Over the last year we have heard a great deal about a US recession, and how world problems emanate from across the Atlantic. We often hear about the importance of the EU to our economy, and even about the superiority of the EU model. In fact the EU cavalry have now lost their horses – they cannot ride to the UK's economic rescue as their economies are already deeper in the mire. The rescue for investors is more likely to come from the US and emerging economies.

"Whilst the US economy continues to grow despite the premature declarations of a US recession, Euroland is now going backwards. This is not surprising as the EU is a consistent underperformer. If more growth and more jobs is the benchmark, the US model has been superior for many years. In the decade 1987 to 1996 the US economy grew by 32.9%, compared with the EU economies growing 11%. In the 20 years to 2006 the US grew by an impressive 82.5%, despite being richer than the EU to start with, whilst the EU managed just 41.6% growth.

"Over the long term, as well as over the short term, the US economy has outperformed the EU one by a wide margin, growing twice as quickly for 20 years! Looking at individual years the US outperformed in 16 of the last 20, and even in the two years of the high-tech collapse.

"This is not a downturn made solely in the USA or a Credit Crunch unique to Wall Street. A series of problems have emerged in the way central Banks, governments and banking regulators have done their job in most major markets. The UK has a bad version of the problem, with its own mistakes at home adding to the gloom."

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Notes to editors

Evercore Pan-Asset Capital Management

Pan-Asset Capital Management was launched in early 2008, and recently announced a partnership with Evercore Partners. The company was set-up by three experienced investors: John Redwood (Conservative MP and former Director of Robert Fleming and NM Rothschild), Robert Brown (former Chief Executive of Sarasin Chiswell) and Christopher Aldous (former Chief Executive of Absolute Fund Management). Evercore Pan-Asset is unusual amongst asset managers in the UK in placing ETFs at the heart of its investment process.