

***Trends in the European Investment Fund Industry
in the Second Quarter of 2009***

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EFAMA
The European Fund and Asset Management Association

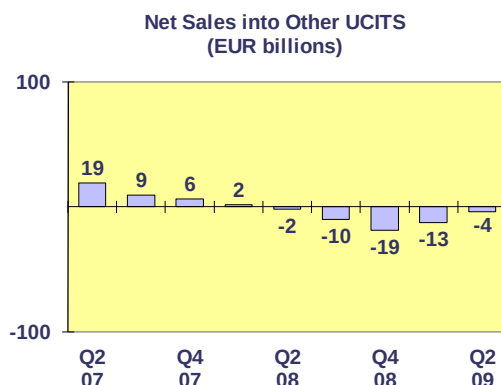
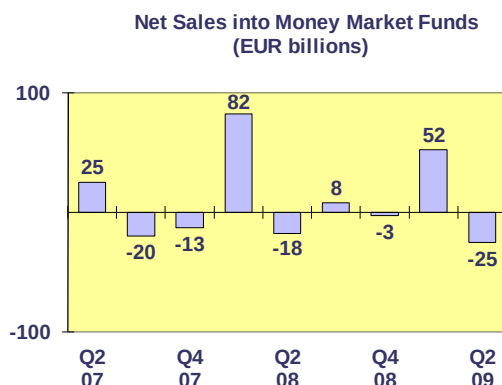
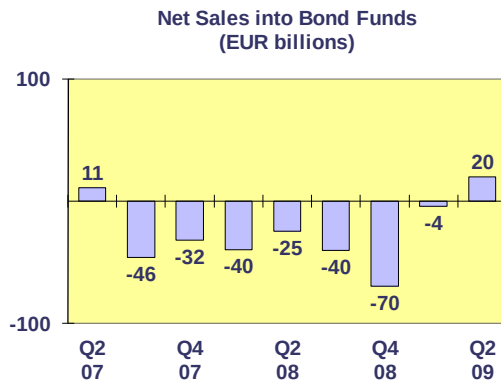
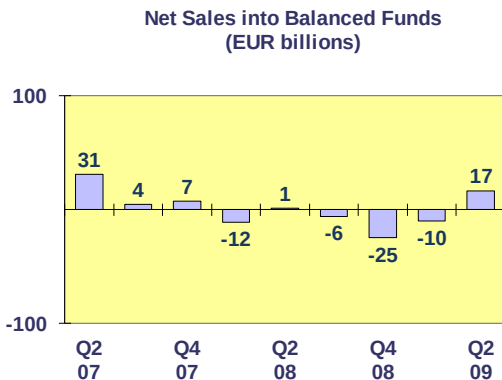
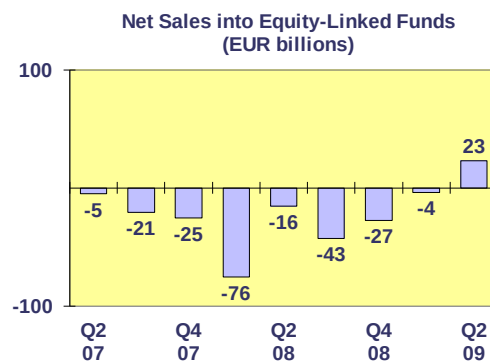
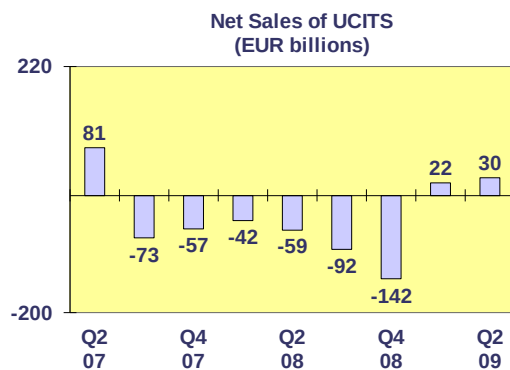
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Trends in the UCITS Market

Net Sales by Investment Type

UCITS posted net inflows of EUR 30 billion during the second quarter of 2009. Net inflows have now been positive for two quarters in a row, following eighteen months of net withdrawals from UCITS.

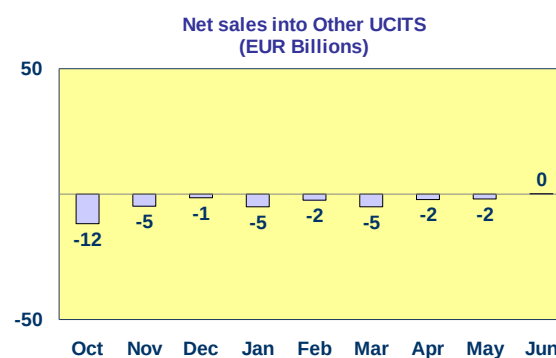
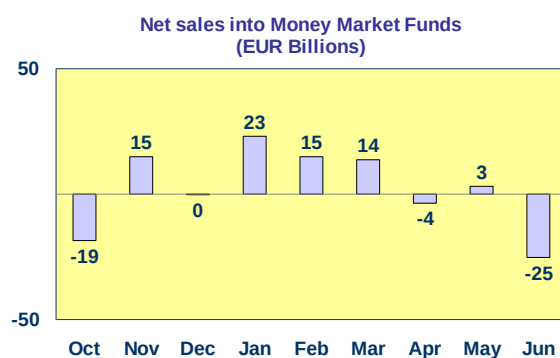
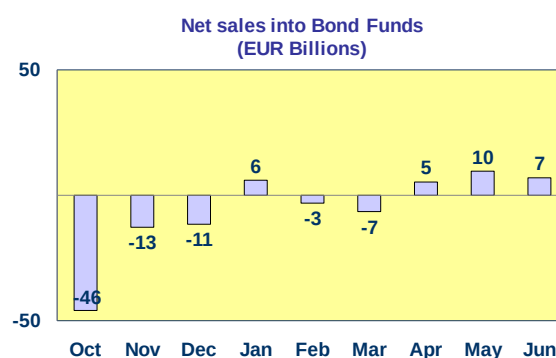
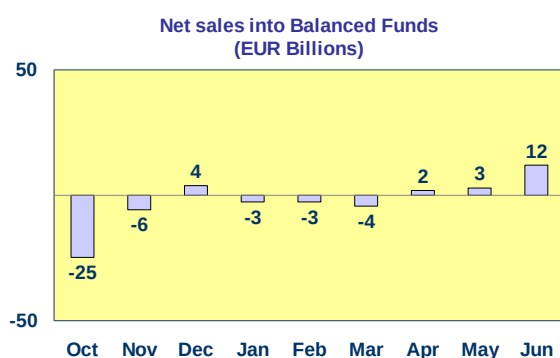
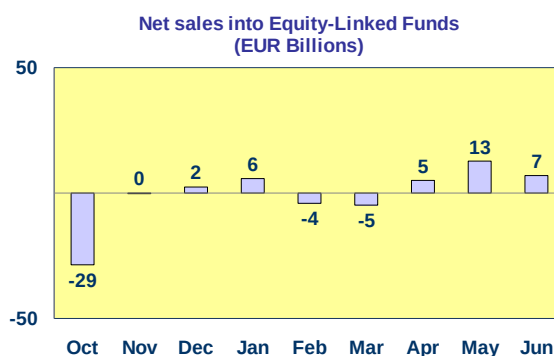
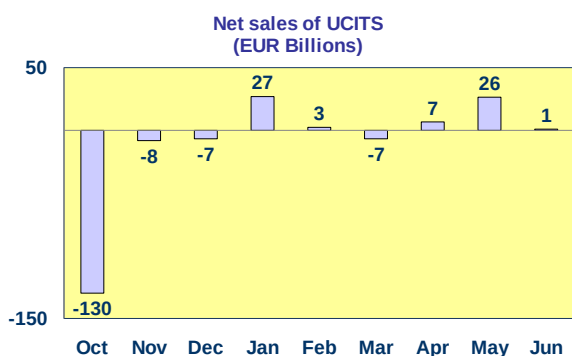
This development reflected net inflows of EUR 60 billion into equity, bond and balanced funds in the second quarter, compared to net outflows of EUR 18 billion in the first quarter. The stock market rally and less stressed financial market conditions have ignited greater investor confidence since mid March, leading to gradual portfolio asset allocation shifts towards more stocks and fixed-income securities-oriented investments. Confirming this evolution in investor sentiment, net inflows into money market funds turned significantly negative in the second quarter.



Trends in the UCITS Market

Net Sales by Investment Type

Looking at the trend in monthly net sales¹, the charts below show that equity, bond and balanced funds have attracted positive inflows continuously since April. Money market funds, on the other hand, recorded sharp outflows in June, following two months of lower activity. These figures confirm that UCITS benefited from the return of optimism about stock markets, global growth recovery and financial market conditions.



¹ Differences in totals between quarterly and monthly net sales reflect differences in the universe of reporting countries.

Trends in the UCITS Market

Net Sales by Country of Domiciliation

The majority of countries recorded positive net sales in the first quarter of 2009. Net inflows were particularly strong in the second quarter in Luxembourg (EUR 10 billion), the United Kingdom (EUR 9.1 billion) and Switzerland (EUR 8.7 billion). Luxembourg-domiciled equity and bond funds were particularly successful in attracting net new money (EUR 10.1 billion and 12.5 billion, respectively), following 7 quarters of negative outflows. Simultaneously, for the first time since the last quarter of 2006, Luxembourg-domiciled money market funds recorded negative outflows. Elsewhere in Europe, Italy-domiciled equity funds recorded positive net inflows for the first time in any quarter since 2000. And in relative terms, net inflows into equity funds were particularly strong in the Nordic countries, ranging from 4 percent and 8 percent of net assets at end March 2009, compared to a European average of 2 percent.

During the first half of 2009, the strongest level of net inflows was observed in France (EUR 34 billion), thanks to strong inflows into money market funds in the first quarter of 2009 (EUR 41 billion). The United Kingdom held the second largest share in total net sales in January-June (16 billion), followed by Switzerland (EUR 9 billion), Luxembourg (EUR 5 billion).

Table 1. Net Sales of UCITS ⁽¹⁾

Members	Equity Funds		Bond Funds		Balanced Funds		Money Market Funds		Other Funds ⁽²⁾		Total	
	Q2 2009	YTD	Q2 2009	YTD	Q2 2009	YTD	Q2 2009	YTD	Q2 2009	YTD	Q2 2009	YTD
Austria	133	325	-323	-1,671	-181	-508	-293	-1,669	-163	-306	-827	-3,828
Bulgaria	1	-2	-2	-5	-1	-3	2	0	0	0	0	-11
Czech Republic	8	11	1	-35	-6	-30	-13	-224	-33	-74	-42	-352
Denmark	1,141	753	-93	-746	-80	-145	-1	-1	303	303	1,269	163
Finland	645	785	733	727	42	40	-145	-331	50	93	1,324	1,315
France	3,200	2,200	3,600	3,600	4,200	0	-7,300	34,000	-2,700	-6,000	1,000	33,800
Germany	2,311	3,122	1,456	1,140	343	289	-1,297	-2,725	41	1,768	2,854	3,593
Greece	40	2	-75	-269	29	7	89	-736	11	-15	94	-1,012
Hungary	-118	-179	-66	-111	-3	-7	24	58	-44	-157	-207	-396
Italy	236	-365	-256	-1,350	-2,126	-5,381	-471	-1,580	0	0	-2,618	-8,676
Liechtenstein	-36	-161	167	252	-38	-66	979	2,361	8	-57	1,080	2,329
Luxembourg	10,074	7,704	12,534	7,926	4,385	4,054	-13,763	-1,162	-3,202	-13,914	10,028	4,608
Norway	773	1,331	216	142	7	22	48	654	46	44	1,091	2,193
Poland	74	105	-105	-166	-19	-36	43	-22	6	-19	0	-138
Portugal	31	-15	-144	-632	-12	-97	481	200	25	-146	380	-690
Romania	1	2	-3	-4	0	4	119	144	1	1	117	147
Slovakia	4	6	2	-9	11	-22	30	-48	-34	-132	11	-205
Slovenia	11	-4	-2	-1	3	-8	-3	-1	1	2	9	-13
Spain	-1,503	-4,165	-543	-1,027	-145	-770	-1,929	-3,197	0	0	-4,120	-9,159
Sweden	1,984	2,583	-267	-388	523	348	-904	-994	204	145	1,540	1,694
Switzerland	487	761	160	-154	8,667	7,186	-614	1,318	0	0	8,700	9,112
Turkey	-21	5	22	353	57	33	-371	879	-1	81	-314	1,351
United Kingdom	3,616	4,499	2,899	8,101	859	1,038	-99	113	1,803	2,145	9,080	15,896
Total	23,091	19,302	19,910	15,674	16,515	5,947	-25,390	27,038	-3,678	-16,240	30,448	51,721

(1) In EUR millions for EFAMA members for which data are available; (2) including funds of funds, except for France, Germany and Italy for which the funds of funds data are included in the other fund categories; (3) net sales of non-UCITS are included in "other" funds, except net sales of special funds, which are shown in Table 5;

Trends in the UCITS Market

Net Assets by Investment Type

Total net assets of UCITS increased by 7.3 percent in the second quarter to reach EUR 4,783 billion at end June 2009. Equity funds recorded the sharpest increase (EUR 204 billion or 19 percent), mostly reflecting stock market gains. Bond and balanced funds also saw their assets increased appreciably. On the other hand, money market funds saw their assets decline by 4 percent in the second quarter of 2009. This development mirrored net outflows of EUR 25 billion as well as the entry in vigor of a new classification of money market funds in Spain, which led to the reclassification of some funds into bond funds. Rising stock prices and net inflows pushed the share of equity funds in UCITS assets upwards from 28 percent at end March to 31 percent at end June.

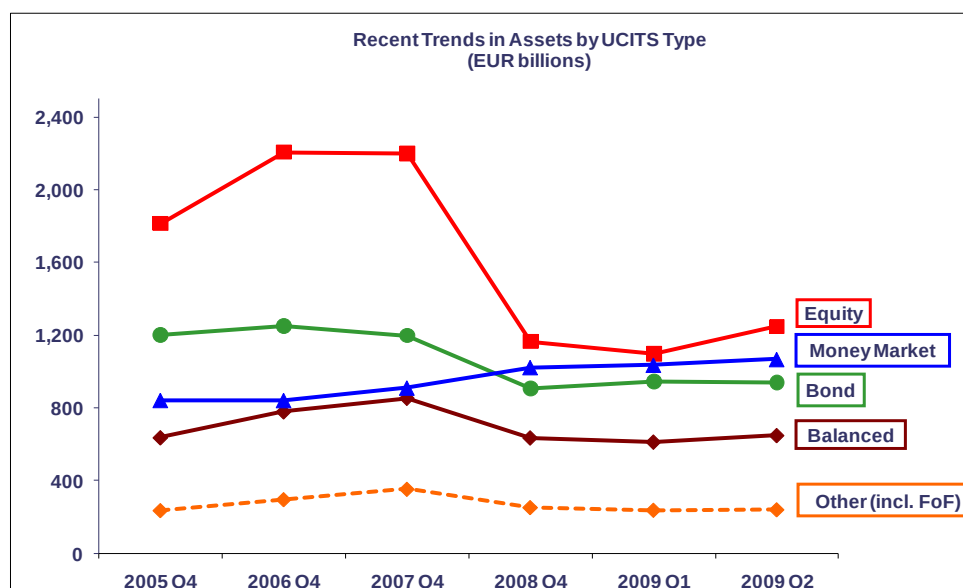
Since the end of 2008, total assets of UCITS rose by 5.3 percent, or EUR 241 billion. New money invested in UCITS represented 2 percent of UCITS assets at end 2009. Equity funds enjoyed the strongest asset increase. The sharp reduction in the net assets held in funds of funds reflected the reclassification of German-domiciled funds of funds into the other types of funds.

Table 2. Breakdown of UCITS Assets by Category ⁽¹⁾						
UCITS types	30/06/2009		Change wrt to 31/03/2009		Change wrt to 31/12/2008	
	EUR bn	Share	in % ⁽²⁾	in EUR bn	%chg ⁽³⁾	in EUR bn
Equity	1,281	31%	19.0%	204	11.1%	128
Balanced	666	16%	8.8%	54	4.7%	30
Total Equity & Balanced	1,947	46%	15.3%	258	8.9%	159
Bond	959	23%	7.5%	67	5.8%	53
Money Market	1,046	25%	-4.0%	-43	2.2%	22
Funds of funds ⁽⁴⁾	54	1%	19.6%	9	-15.6%	-10
Other	182	4%	1.2%	2	-1.3%	-2
All Funds	4,188	100%	7.5%	293	5.6%	221
including Ireland & Netherlands	4,783		7.3%	325	5.3%	241

(1) Excluding Ireland for which no data breakdown is available. (4) Except funds of funds domiciled in France, Luxembourg, Italy and Germany which are included in the other types of funds.

(2) End of June 2009 compared to end March 2009.

(3) End of June 2009 compared to end 2008.



Trends in the UCITS Market

Net Assets by Country of Domiciliation

Looking at the development in the major fund markets in the second quarter of 2009, the United Kingdom and Germany enjoyed double-digit asset growth: 22 percent and 11 percent, respectively. UK-domiciled UCITS benefited from strong inflows as well as from a 9 percent appreciation of the Pound. Ireland and Luxembourg also enjoyed stronger-than-average asset growth. Elsewhere, the asset increase was particularly strong in the Nordic countries, in particular in Sweden and Norway – two countries where the share of equity funds in UCITS assets remained high at end March 2009 (57 percent and 43 percent, respectively). All central European countries except Slovakia also enjoyed above-European-average asset growth, reflecting asset price increases and an appreciation of the exchange rate of the Czech Republic, Hungary and Poland.

Fifteen countries recorded positive asset increase during the first half of 2009. The increase was higher than 10 percent in Finland, Liechtenstein, Norway, Romania, Sweden, Switzerland, Turkey and the United Kingdom.

Table 3. Net Assets of the European UCITS Industry						
Members	30/06/2009		31/03/2009		31/12/2008	
	EUR m	Share	EUR m	% chg ⁽¹⁾	EUR m	% chg ⁽²⁾
Austria	77,623	1.6%	75,308	3.1%	79,701	-2.6%
Belgium	79,457	1.7%	80,190	-0.9%	87,219	-8.9%
Bulgaria	152	0.0%	144	5.5%	162	-6.0%
Czech Republic	4,111	0.1%	3,793	8.4%	4,422	-7.0%
Denmark	49,635	1.0%	44,420	11.7%	46,891	5.9%
Finland	39,073	0.8%	34,532	13.1%	35,029	11.5%
France	1,203,973	25.2%	1,156,438	4.1%	1,143,265	5.3%
Germany	194,739	4.1%	175,982	10.7%	184,921	5.3%
Greece	8,866	0.2%	8,022	10.5%	9,324	-4.9%
Hungary	6,963	0.1%	6,105	14.1%	7,212	-3.5%
Ireland	542,560	11.3%	510,975	6.2%	517,702	4.8%
Italy	186,202	3.9%	182,532	2.0%	189,400	-1.7%
Liechtenstein	20,651	0.4%	17,302	19.4%	15,822	30.5%
Luxembourg	1,396,258	29.2%	1,309,644	6.6%	1,337,043	4.4%
Netherlands ⁽³⁾	52,600	1.1%	52,600	0.0%	57,000	-7.7%
Norway	36,937	0.8%	31,930	15.7%	29,517	25.1%
Poland	12,362	0.3%	10,376	19.1%	12,794	-3.4%
Portugal	9,795	0.2%	9,136	7.2%	10,455	-6.3%
Romania	397	0.0%	253	56.9%	234	70.0%
Slovakia	2,953	0.1%	2,876	2.7%	3,107	-5.0%
Slovenia	1,632	0.0%	1,409	15.9%	1,514	7.8%
Spain	186,063	3.9%	187,082	-0.5%	194,714	-4.4%
Sweden	96,703	2.0%	80,977	19.4%	84,642	14.2%
Switzerland	108,379	2.3%	94,403	14.8%	98,320	10.2%
Turkey	13,071	0.3%	12,846	1.8%	11,221	16.5%
United Kingdom	452,112	9.5%	369,234	22.4%	380,462	18.8%
All Funds	4,783,267	100%	4,458,511	7.3%	4,542,094	5.3%

(1) End June 2009 compared to end March 2009; (2) end June 2009 compared to end 2008; (3) data as of end March 2009.

Trends in the Non-UCITS Market

Net Sales and Assets by Investment Type

Total assets in the non-UCITS market slightly increased 4.2 percent in the second quarter of 2009 to EUR 1,590 billion. Almost 65 percent of the increase was triggered by the rise in the assets of special funds reserved for institutional investors, which in turn reflected asset appreciation. Indeed, despite strong net inflows into Luxembourg and Austria-domiciled special funds, total net inflows fell from EUR 9.3 billion in the first quarter to EUR 1.3 billion in the quarter due to large withdrawals from a Danish pension fund and outflows from Germany special funds.

Since end 2008, total asset of non-UCITS grew by 2.9 percent.

Table 4. Breakdown of Non-UCITS Assets by Category ⁽¹⁾						
Fund types	30/06/2009		31/03/2009		31/12/2008	
	EUR bn	Share	EUR bn	% chg ⁽²⁾	EUR bn	% chg ⁽³⁾
Special / Institutional	919	63%	885	3.8%	880	4.4%
German "Spezialfonds"	652	45%	640	1.9%	635	2.7%
British investment trusts	45	3%	35	28.0%	36	24.5%
French employees savings	77	5%	69	11.7%	71	7.1%
Luxembourg "other" funds	77	5%	73	5.7%	77	-0.4%
Real-estate funds	202	14%	199	1.3%	201	0.5%
Other	142	10%	143	-1.3%	151	-6.1%
Total	1,461	100%	1,405	4.0%	1,416	3.1%
including Ireland	1590		1526	4.2%	1546	2.9%
⁽¹⁾ Excluding Ireland for which no data breakdown is available. ⁽²⁾ End of June 2009 compared to end March 2009. ⁽³⁾ End of June 2009 compared to end 2008.						

Table 5. Net Sales of Special Funds ⁽¹⁾							
Members	2008				2009		
	Q1	Q2	Q3	Q4	Q1	Q2	YTD
Austria	-196	-445	306	-332	285	2,039	2,324
Denmark	995	2,600	-2,199	-140	-912	-8,108	-9,020
Finland	-126	-287	-251	-641	-227	-70	-297
Germany	3,705	2,760	8,806	1,704	5,318	-2,436	2,882
Hungary	8	92	436	194	165	-9	156
Italy	-133	-156	-101	-156	263	-69	193
Liechtenstein	100	195	124		70	51	121
Luxembourg	11,408	6,982	8,022	2,437	4,277	9,329	13,606
Romania					4	-1	2
Sweden	26	-30	9	20	23	112	136
United Kingdom	292	207	236	151	11	440	450
Total	16,079	11,918	15,388	3,237	9,275	1,278	10,553
⁽¹⁾ In Eur millions for EFAMA members for which data are available.							

Trends in the European Investment Fund Industry

Net Assets by Country of Domiciliation

The combined assets of the investment fund market in Europe, i.e. the market for UCITS and non-UCITS, increased by 6.5 percent in the second quarter to reach EUR 6,373 billion at end June 2009.

With EUR 4,783 billion invested in UCITS, this segment of the business accounted for 75 percent of the fund market at end June 2009.

Since end 2008, the European investment fund industry saw its assets rise by 4.7 percent, or EUR 285 billion.

Table 6. Net Assets of the European Investment Fund Industry						
Members	30/06/2009		31/03/2009		31/12/2008	
	EUR m	Share	EUR m	% chg ⁽¹⁾	EUR m	% chg ⁽²⁾
Austria	129,161	2.0%	122,970	5.0%	127,729	1.1%
Belgium	84,311	1.3%	84,630	-0.4%	91,884	-8.2%
Bulgaria	155	0.0%	146	5.5%	164	-5.9%
Czech Republic	4,163	0.1%	3,849	8.2%	4,490	-7.3%
Denmark	94,962	1.5%	93,728	1.3%	97,861	-3.0%
Finland	45,564	0.7%	40,417	12.7%	41,338	10.2%
France	1,359,973	21.3%	1,301,438	4.5%	1,294,865	5.0%
Germany	934,795	14.7%	902,518	3.6%	904,899	3.3%
Greece	9,859	0.2%	8,983	9.8%	10,424	-5.4%
Hungary	9,079	0.1%	8,084	12.3%	9,537	-4.8%
Ireland	671,915	10.5%	632,384	6.3%	647,054	3.8%
Italy	240,865	3.8%	238,317	1.1%	252,563	-4.6%
Liechtenstein	22,457	0.4%	19,183	17.1%	17,800	26.2%
Luxembourg	1,629,256	25.6%	1,526,563	6.7%	1,559,653	4.5%
Netherlands ⁽³⁾	64,400	1.0%	64,400	--	67,500	-4.6%
Norway	36,937	0.6%	31,930	15.7%	29,517	25.1%
Poland	17,060	0.3%	14,562	17.2%	17,864	-4.5%
Portugal	25,234	0.4%	24,111	4.7%	25,058	0.7%
Romania	1,839	0.0%	1,427	28.9%	1,701	8.1%
Slovakia	3,122	0.0%	3,038	2.8%	3,328	-6.2%
Slovenia	2,032	0.0%	1,763	15.3%	1,881	8.0%
Spain	193,523	3.0%	194,945	-0.7%	203,498	-4.9%
Sweden	97,746	1.5%	83,062	17.7%	86,604	12.9%
Switzerland	145,062	2.3%	130,569	11.1%	134,805	7.6%
Turkey	15,343	0.2%	15,081	1.7%	13,547	13.3%
United Kingdom	534,527	8.4%	436,421	22.5%	442,157	20.9%
All Funds	6,373,338	100.0%	5,984,519	6.5%	6,087,723	4.7%
UCITS	4,783,267	75.1%	4,458,511	7.3%	4,542,094	5.3%
Non-UCITS	1590,071	33.2%	1526,008	4.2%	1545,629	2.9%

(1) End June compared to March 2009; (2) end June 2009 compared to end 2008; (3) data as of end March 2009.