

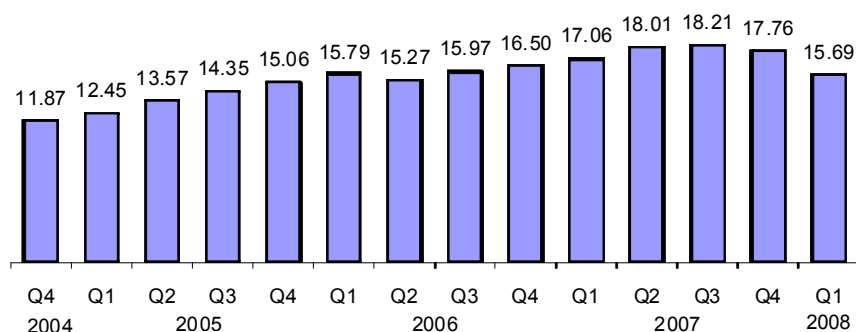
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## Worldwide Investment Fund Assets and Flows Trends in the First Quarter 2008

**Brussels, 26 August 2008.** Investment fund assets worldwide decreased by 11.7 percent to €15.7 trillion at the end of the first quarter of 2008. The decline reflected weakness in equity and bond markets worldwide as well as the depreciation of the U.S. dollar. Net cash flow to all funds worldwide totaled €285 billion in the first quarter of 2008, down from €302 billion in the fourth quarter of 2007. Long-term funds experienced net outflows of €40 billion in the first quarter of 2008, compared with a net inflow of €129 billion in the fourth quarter of 2007. Bond fund net inflows actually strengthened, with a net inflow of €8 billion in the first quarter, compared to a net outflow of €21 billion in the previous quarter. This was more than offset by weakened net flows for equity funds and balanced/mixed funds, which combined had an outflow of €97 billion in the first quarter compared to an inflow of €87 billion in the fourth quarter. Inflows to money market increased substantially, with €326 billion in inflows in the first quarter of 2008, compared to an already brisk pace of €173 billion in the fourth quarter of 2007.

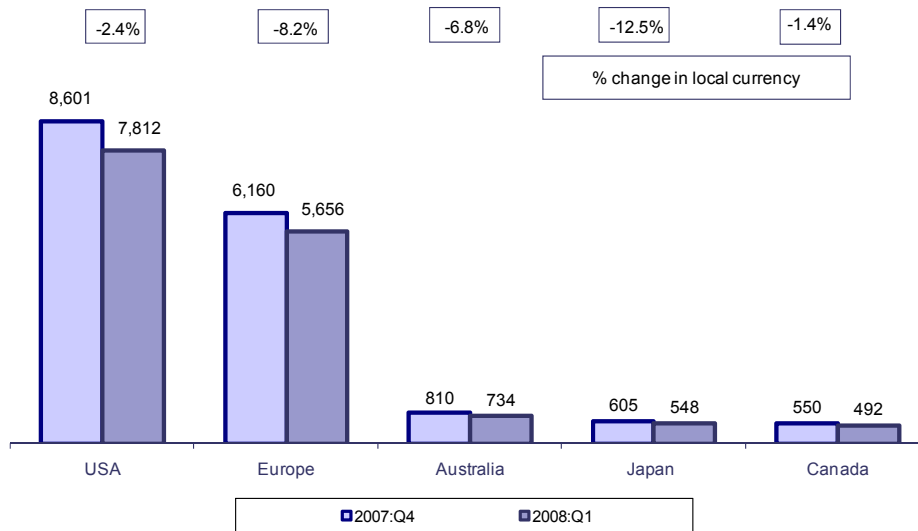
The information presented in this report was compiled by EFAMA and the Investment Company Institute on behalf of the International Investment Funds Association, an organization of national investment fund associations. The collection for the first quarter of 2008 includes statistics from 43 countries.

**Worldwide Investment Fund Assets**  
(Trillions of euros, end of quarter)



Hong Kong did not report data for the first quarter; with €556 billion in asset in the fourth quarter of 2007, the absence of Hong Kong data accounted for 27 percent of the decline in the worldwide investment fund assets in the first quarter. Elsewhere, the decline in assets reported in euro was exacerbated by the depreciation of the U.S. dollar. For example, on a euro-denominated basis and taking into account funds of funds, mutual fund assets in the United States declined by 9.2 percent, compared to a 2.4 percent decline on a U.S.-dollar-denominated basis.

Geographical Trends in Investment Fund Assets at 2008:Q1  
(Billions of euro, end of quarter)



Geographical Trends by Type of Fund, 2008:Q1  
(Billions of euros, end of quarter)

	USA	Europe (1)	Japan	Canada
<b>Equity</b>	<b>3,710</b>	<b>1,798</b>	<b>366</b>	<b>191</b>
% chg in EUR (2)	-16%	-18%	-10%	-15%
% chg in loc. cur. (3)	-10%	-18%	-14%	-6%
<b>Bond</b>	<b>1,088</b>	<b>1,108</b>	<b>59</b>	<b>36</b>
% chg in EUR (2)	-5%	-7%	-4%	-5%
% chg in loc. cur. (3)	2%	-7%	-8%	4%
<b>Money Market</b>	<b>2,193</b>	<b>1,021</b>	<b>18</b>	<b>40</b>
% chg in EUR (2)	4%	12%	0%	10%
% chg in loc. cur. (3)	12%	12%	-4%	21%
<b>Balanced / Mixed</b>	<b>427</b>	<b>786</b>	<b>--</b>	<b>152</b>
% chg in EUR (2)	-12%	-8%	--	-11%
% chg in loc. cur. (3)	-5%	-8%	--	-2%
<b>Other (4)</b>	<b>393</b>	<b>319</b>	<b>106</b>	<b>73</b>
% chg in EUR (2)	-10%	-10%	-12%	-10%
% chg in loc. cur. (3)	-3%	-10%	-16%	0%

(1) Excluding Ireland for which no data breakdown is available.

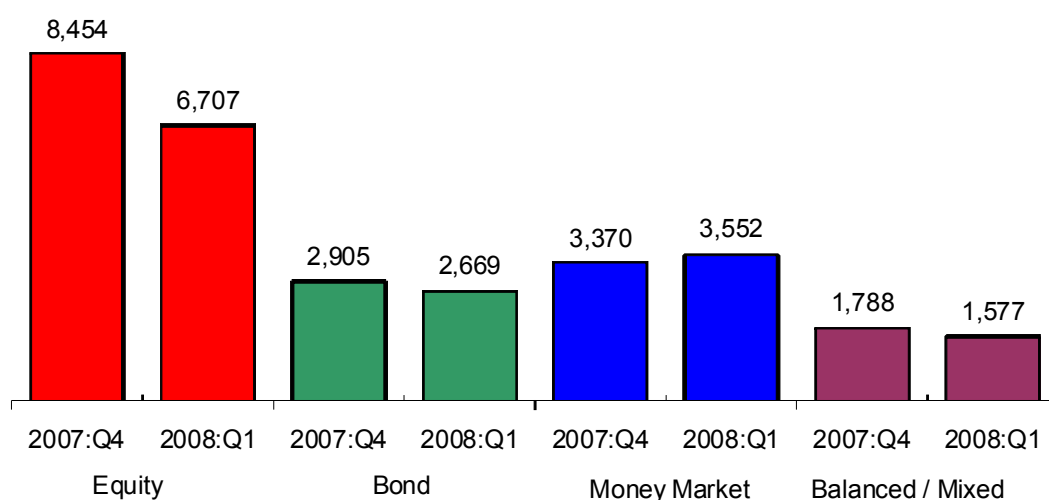
(2) 2008:Q1 compared to 2007:Q4.

(3) 2008:Q1 compared to 2007:Q4, using the euro as the local currency for Europe.

(4) Including funds of funds.

Asset levels decreased for all funds types in the first quarter, except for money market funds. Assets of equity funds fell by 20.7 percent to €6.7 trillion at the end of March 2008. Bond funds were down by 8.1 percent and balanced/mixed funds decreased by 11.8 percent during the same period. Assets of money market funds grew by 5.4 percent in the first quarter to €3.6 trillion.

**Worldwide Assets of Equity, Bond, Money Market, and Balanced / Mixed Funds**  
(Billions of euros, end of quarter)



**Net Sales of Investment Funds**

(Billions of euros)

	USA					Europe (1)					World (2)				
	2007				2008	2007				2008	2007				2008
	Q1	Q2	Q3	Q4	Q1	Q1	Q2	Q3	Q4	Q1	Q1	Q2	Q3	Q4	Q4
Equity	54	27	9	35	-24	-3	-4	-22	-25	-75	90	77	23	58	-87
Bond	44	42	15	23	40	9	12	-46	-32	-40	53	72	-37	-21	8
Money Market	51	74	227	184	225	53	26	-20	-13	83	102	103	205	173	326
Balanced / Mixed	10	7	5	8	3	33	28	5	7	-11	53	43	17	29	-10
Other (3)	28	25	20	30	19	16	23	23	24	13	70	71	53	63	48
Total	187	175	275	279	263	107	84	-61	-40	-30	368	366	261	302	285

(1) For Austria, Czech Republic, Denmark, Finland, France, Germany, Greece, Hungary, Italy, Liechtenstein, Luxembourg, Netherlands, Norway, Portugal, Romania, Slovakia, Spain, Sweden, Switzerland and UK.

(2) 33 countries reported in 2006:Q1, Q2 2006, and 34 countries in 2006:Q3, 2006:Q4, 2007:Q1, 2007:Q2, 2007:Q3 and 2008:Q1; 35 countries in 2007:Q4. Assets of reporting countries represented 89 percent of all countries at the end of 2008:Q1.

(3) Including net sales of funds of funds.

Net sales are new sales plus reinvested dividends less redemptions plus net exchanges.

Net cash flow to investment funds worldwide was €285 billion in the first quarter of 2008, with net inflows to money market funds more than offsetting the net outflows from long-term funds. Net outflows from equity funds worldwide were €87 billion in the first quarter, compared to a net inflow of €58 billion in the fourth quarter. The United States registered a net outflow of €24 billion from equity funds, compared to a net inflow of €35 billion in the fourth quarter. The pace of net outflows from European equity funds quickened in the first quarter, with €75 billion in outflows, compared with €25 billion in the fourth quarter. The flows to equity funds in the Asia/Pacific region slowed but remained positive, dropping to €21 billion in the first quarter compared to €39 billion in the fourth quarter.

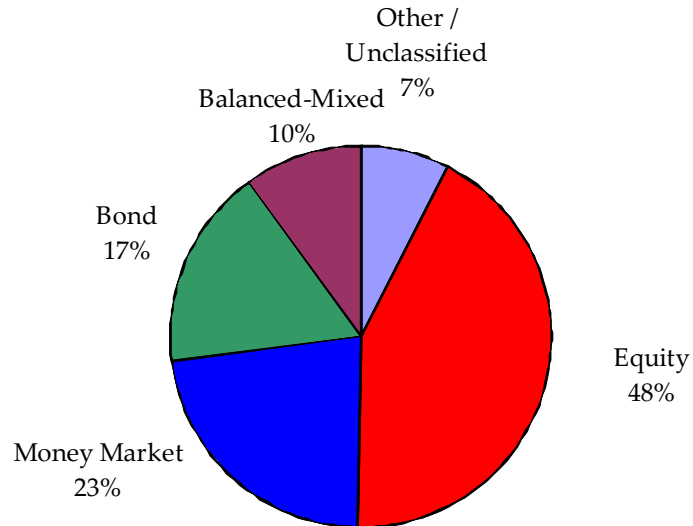
Bond funds experienced €8 billion in net inflows in the first quarter of 2008, compared to net outflows of €21 billion in the fourth quarter of 2007. Net outflows from European bond funds reached €40 billion in the first quarter, compared to net outflows of €32 billion in the fourth quarter. Net inflows to bond funds in the United States were €40 billion in the first quarter, up from €23 billion in the fourth quarter.

Worldwide flows into balanced/mixed funds turned negative in the first quarter of 2008, with €10 billion in net outflows compared to net inflows of €29 billion in the fourth quarter of 2007. European balanced funds experienced €11 billion in net outflows in the first quarter, compared to net inflows of €7 billion in the fourth quarter. Net flows to balanced/mixed funds in the United States slackened but remained positive in the first quarter, falling to a €3 billion pace from an €8 billion pace in the fourth quarter. Similarly, flows into balanced/mixed funds in the Asia and Pacific region were €1 billion in the first quarter, compared with €4 billion of inflows in the fourth quarter.

Net flows into money market funds nearly doubled, with net inflows of €326 billion in the first quarter of 2008. Net flows to money market funds in the United States were €225 billion in the first quarter, up from €184 billion in the fourth quarter. With €83 billion in net inflows, European money market funds marked a reversal from the net outflows experienced in the two previous quarters.

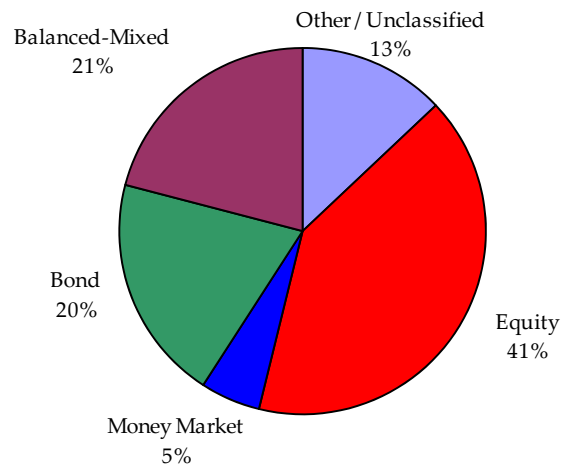
At the end of March 2008, assets of equity funds represented 43 percent of all worldwide investment fund assets. The asset share of bond funds was 17 percent and money market funds were 23 percent of the total. Balanced/mixed fund assets represented 10 percent of the total.

**Composition of Worldwide Investment Fund Asset, 2008:Q1**  
(Percent of total assets, end of quarter)

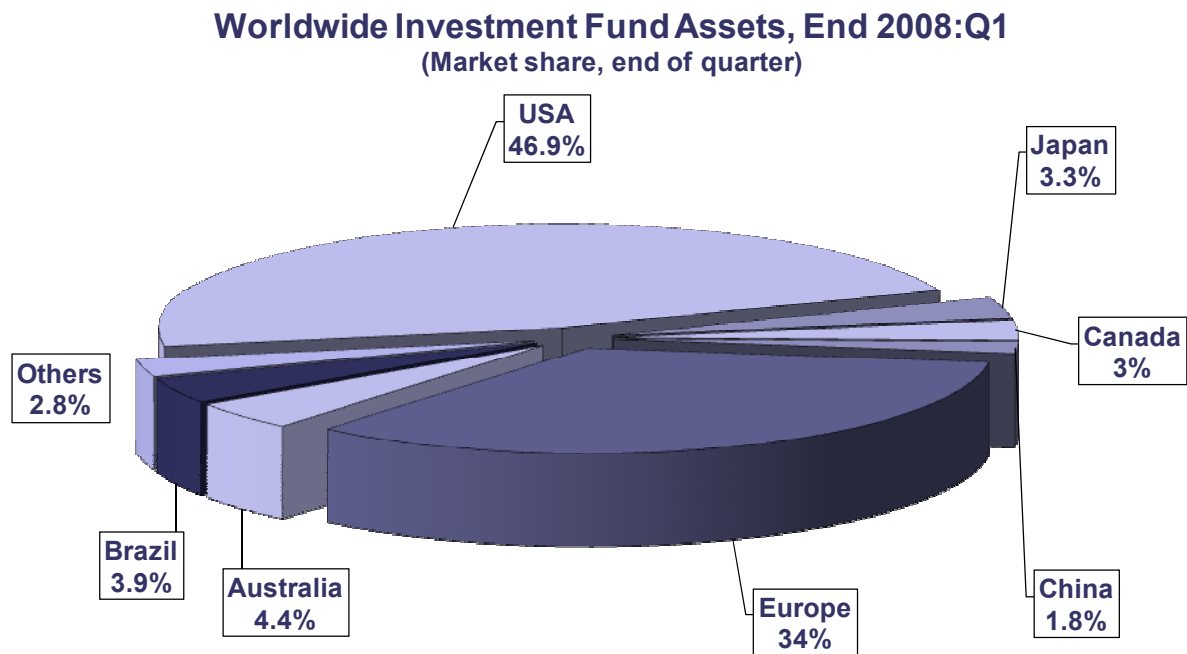


At the end of March 2008, the number of investment funds worldwide stood at 67,180. By type of fund, 41 percent were equity funds, 20 percent were bond funds, 21 percent were balanced/mixed funds, and 5 percent were money market funds.

**Composition of Worldwide Investment Funds, 2008:Q1**  
(Percent of funds, end of quarter)



Looking at the worldwide distribution of investment fund assets, the United States and Europe held the largest share in the world market, 46.9 percent and 34 percent, respectively. Australia, Brazil, Japan, Canada and China follow in this ranking. Taking into account non-UCITS assets, the market share of Europe reached 40 percent and that of the United States 42.6 percent.<sup>4</sup>



<sup>4</sup> Assets of UCITS and non-UCITS funds in Europe at end March 2008 are provided in Table 6 in annex.

**Table 1**  
**TOTAL NET ASSETS, 2003-2008:Q1**  
Billions of U.S. dollars, end of period

ITEM	2003	2004	2005	2006	2007				2008
					Q1	Q2	Q3	Q4	Q1
<b>All Reporting Countries<sup>1</sup></b>	<b>14,048</b>	<b>16,165</b>	<b>17,771</b>	<b>21,823</b>	<b>22,913</b>	<b>24,519</b>	<b>25,790</b>	<b>26,151</b>	<b>24,808</b>
Equity	5,923	7,219	8,333	10,508	11,073	12,015	12,541	12,446	10,605
Bond	3,047	3,313	3,450	3,871	4,010	4,123	4,217	4,277	4,221
Money Market	3,206	3,323	3,364	3,864	4,072	4,275	4,663	4,961	5,616
Balanced/Mixed	1,198	1,445	1,566	2,049	2,232	2,432	2,588	2,632	2,495
Other	311	398	512	676	705	791	861	884	885
<b>Countries Reporting in Every Period<sup>2</sup></b>	<b>13,300</b>	<b>15,246</b>	<b>16,731</b>	<b>20,333</b>	<b>21,297</b>	<b>22,697</b>	<b>23,708</b>	<b>23,981</b>	<b>22,698</b>
Equity	5,766	7,031	8,123	10,226	10,693	11,551	11,946	11,827	10,075
Bond	2,953	3,217	3,339	3,755	3,887	3,993	4,068	4,119	4,050
Money Market	3,157	3,254	3,289	3,769	3,965	4,158	4,534	4,812	5,461
Balanced/Mixed	1,128	1,364	1,485	1,927	2,068	2,226	2,324	2,367	2,255
Other	296	380	495	656	685	769	836	856	857

Source: National mutual fund associations; EFAMA provides data for all European countries except Russia.

<sup>1</sup> Components may not sum to total because of rounding or unclassified funds.

<sup>2</sup> Number of countries is 25. Components may not sum to total because of rounding.

**Table 2**  
**NET SALES,<sup>1</sup> 2004-2008:Q1**  
Billions of U.S. dollars

ITEM	2004	2005	2006	2007	2007				2008
					Q1	Q2	Q3	Q4	Q1
<b>All Reporting Countries<sup>2</sup></b>	<b>457</b>	<b>971</b>	<b>1,299</b>	<b>1,538</b>	<b>410</b>	<b>431</b>	<b>316</b>	<b>382</b>	<b>394</b>
Equity	357	416	534	328	114	99	31	84	-132
Bond	109	224	108	84	67	97	-50	-30	13
Money Market	-120	120	366	800	133	138	279	250	487
Balanced/Mixed	82	108	203	196	69	62	23	42	-15
Other	29	102	88	130	26	35	32	36	41
<b>Countries Reporting in Every Period<sup>3</sup></b>	<b>307</b>	<b>671</b>	<b>951</b>	<b>1,212</b>	<b>310</b>	<b>307</b>	<b>263</b>	<b>332</b>	<b>360</b>
Equity	298	317	414	315	106	88	35	87	-67
Bond	62	91	77	73	46	58	-26	-6	34
Money Market	-131	128	336	728	113	123	254	238	416
Balanced/Mixed	69	112	102	68	35	25	-5	13	-28
Other	8	23	21	28	10	13	5	1	5

Source: National mutual fund associations; EFAMA provides data for all European countries except Russia.

<sup>1</sup> Net sales are new sales plus reinvested dividends less redemptions plus net exchanges.

<sup>2</sup> Components may not sum to total because of rounding or unclassified funds.

<sup>3</sup> Number of countries is 17. Components may not sum to total because of rounding.

**Table 3**  
**NUMBER OF FUNDS, 2003-2008:Q1**  
End of period

ITEM	2003	2004	2005	2006	2007				2008
					Q1	Q2	Q3	Q4	Q1
<b>All Reporting Countries<sup>1</sup></b>	<b>54,569</b>	<b>54,982</b>	<b>56,868</b>	<b>61,855</b>	<b>62,889</b>	<b>63,604</b>	<b>64,058</b>	<b>66,350</b>	<b>67,180</b>
Equity	22,688	22,362	23,264	25,698	25,828	26,123	26,430	27,319	27,264
Bond	11,886	13,309	13,231	13,571	13,533	13,456	13,380	13,306	12,956
Money Market	4,974	3,623	3,536	3,409	3,445	3,422	3,421	3,452	3,563
Balanced/Mixed	11,465	11,603	11,393	12,530	13,118	13,135	13,127	13,756	13,959
Other	1,578	1,997	3,317	4,116	4,546	4,993	5,169	5,619	6,536
<b>Countries Reporting in Every Period<sup>2</sup></b>	<b>41,689</b>	<b>42,354</b>	<b>42,427</b>	<b>45,394</b>	<b>45,597</b>	<b>46,016</b>	<b>46,730</b>	<b>47,661</b>	<b>47,515</b>
Equity	20,018	19,918	20,044	21,805	21,527	21,665	21,998	22,449	22,149
Bond	9,847	9,961	10,004	10,292	10,289	10,255	10,297	10,241	9,876
Money Market	2,652	2,899	2,799	2,663	2,651	2,628	2,633	2,635	2,726
Balanced/Mixed	7,857	8,095	7,857	8,540	8,816	9,011	9,289	9,737	9,826
Other	1,315	1,481	1,723	2,094	2,314	2,457	2,513	2,599	2,938

Source: National mutual fund associations; EFAMA provides data for all European countries except Russia.

<sup>1</sup> Components may not sum to total because of unclassified funds.

<sup>2</sup> Number of countries is 23.

**Table 4**  
**TOTAL NET ASSETS, 2003-2008:Q1**  
Billions of euros, end of period

ITEM	2003	2004	2005	2006	2007				2008
					Q1	Q2	Q3	Q4	Q1
<b>All Reporting Countries<sup>1</sup></b>	<b>11,123</b>	<b>11,868</b>	<b>15,064</b>	<b>16,571</b>	<b>17,205</b>	<b>18,156</b>	<b>18,189</b>	<b>17,764</b>	<b>15,689</b>
Equity	4,690	5,300	7,063	7,979	8,314	8,897	8,844	8,454	6,707
Bond	2,413	2,432	2,924	2,940	3,011	3,053	2,974	2,905	2,669
Money Market	2,539	2,439	2,852	2,934	3,058	3,166	3,289	3,370	3,552
Balanced/Mixed	948	1,061	1,328	1,556	1,676	1,801	1,825	1,788	1,578
Other	246	292	434	513	529	586	607	600	560
<b>Countries Reporting in Every Period<sup>2</sup></b>	<b>10,530</b>	<b>11,193</b>	<b>14,183</b>	<b>15,439</b>	<b>15,991</b>	<b>16,807</b>	<b>16,720</b>	<b>16,290</b>	<b>14,355</b>
Equity	4,565	5,162	6,886	7,765	8,029	8,554	8,425	8,034	6,372
Bond	2,338	2,362	2,831	2,851	2,919	2,957	2,869	2,798	2,561
Money Market	2,500	2,389	2,788	2,861	2,977	3,079	3,197	3,269	3,454
Balanced/Mixed	893	1,002	1,259	1,463	1,553	1,648	1,639	1,608	1,426
Other	234	279	420	498	514	570	590	582	542

Source: National mutual fund associations; EFAMA provides data for all European countries except Russia.

<sup>1</sup> Components may not sum to total because of rounding or unclassified funds.

<sup>2</sup> Number of countries is 25. Components may not sum to total because of rounding.

**Table 5**  
**NET SALES,<sup>1</sup> 2004-2008:Q1**  
Billions of euros

ITEM	2004	2005	2006	2007	2007				2008
					Q1	Q2	Q3	Q4	Q1
<b>All Reporting Countries<sup>2</sup></b>	<b>362</b>	<b>785</b>	<b>1,039</b>	<b>1,126</b>	<b>313</b>	<b>320</b>	<b>230</b>	<b>263</b>	<b>263</b>
Equity	286	337	430	241	87	73	23	58	-88
Bond	86	177	88	66	51	72	-37	-21	9
Money Market	-98	102	288	580	102	102	203	173	325
Balanced/Mixed	65	88	163	144	53	46	17	29	-10
Other	24	82	70	94	20	26	24	25	28
<b>Countries Reporting in Every Period<sup>3</sup></b>	<b>241</b>	<b>543</b>	<b>760</b>	<b>889</b>	<b>240</b>	<b>228</b>	<b>192</b>	<b>229</b>	<b>241</b>
Equity	237	257	333	233	83	65	25	60	-45
Bond	48	71	62	56	36	43	-19	-4	22
Money Market	-106	108	264	528	87	91	185	164	278
Balanced/Mixed	55	90	83	51	27	19	-4	9	-19
Other	7	19	17	21	7	10	4	1	4

Source: National mutual fund associations; EFAMA provides data for all European countries except Russia.

<sup>1</sup> Net sales are new sales plus reinvested dividends less redemptions plus net exchanges.

<sup>2</sup> Components may not sum to total because of rounding or unclassified funds.

<sup>3</sup> Number of countries is 17. Components may not sum to total because of rounding.



**Table 6**  
**TOTAL NET ASSETS OF THE EUROPEAN INVESTMENT FUND INDUSTRY, End March 2008**

	Overall Fund Industry			UCITS Market <sup>1</sup>			Non-UCITS Market <sup>2</sup>		
	Number of funds	Net assets		Number of funds	Net assets		Number of funds	Net assets	
		in mio euro	in mio US \$		in mio euro	in mio US \$		in mio euro	in mio US \$
Austria	2,335	153,180	242,208	1,559	101,183	159,991	776	51,996	82,217
Belgium	1,871	116,389	184,035	1,836	110,040	173,996	35	6,349	10,039
Czech Republic	106	6,292	9,948	104	6,237	9,861	2	55	87
Denmark	782	124,304	196,549	512	64,570	102,097	270	59,734	94,451
Finland	521	58,588	92,640	381	48,907	77,332	140	9,681	15,307
France	12,013	1,443,900	2,283,095	8,352	1,295,900	2,049,077	3,661	148,000	234,018
Germany	5,952	989,515	1,564,622	1,800	235,558	372,464	4,152	753,958	1,192,158
Greece	270	20,117	31,810	260	18,960	29,980	10	1,158	1,830
Hungary	342	12,123	19,169	288	9,401	14,864	54	2,723	4,305
Ireland	4,777	773,982	1,223,821	2,902	623,861	986,449	1,875	150,121	237,371
Italy	1,225	323,333	511,253	840	254,874	403,006	385	68,459	108,247
Liechtenstein	554	18,616	29,435	458	16,925	26,762	96	1,691	2,673
Luxembourg	11,498	1,895,445	2,997,078	8,984	1,661,625	2,627,361	2,514	233,820	369,716
Netherlands	514	83,559	132,123	450	70,458	111,408	64	13,101	20,715
Norway	522	41,733	65,988	522	41,733	65,988	0	0	0
Poland	358	30,475	48,187	195	24,564	38,841	163	5,911	9,346
Portugal	506	33,028	52,225	212	18,369	29,045	294	14,660	23,180
Romania	53	2,963	4,685	41	220	348	12	2,743	4,336
Slovakia	125	4,160	6,578	79	4,003	6,329	46	157	249
Slovenia	117	3,358	5,309	110	2,332	3,688	7	1,025	1,621
Spain	3,018	260,206	411,437	2,958	250,446	396,006	60	9,759	15,432
Sweden	556	123,135	194,702	539	120,143	189,970	17	2,992	4,731
Switzerland	794	161,153	237,234	574	119,570	176,019	220	41,583	65,751
Turkey	343	15,089	23,858	293	12,886	20,376	50	2,203	3,483
United Kingdom	2,737	640,551	1,012,839	2,281	543,253	858,991	456	97,298	153,848
<b>Europe <sup>3</sup></b>	<b>51,889</b>	<b>7,335,194</b>	<b>11,580,827</b>	<b>36,530</b>	<b>5,656,018</b>	<b>8,930,250</b>	<b>15,359</b>	<b>1,679,176</b>	<b>2,655,113</b>

Source: EFAMA

<sup>1</sup> In the sense of publicly offered open-end investment funds (transferable securities and money market instruments), including funds-of-funds assets.

<sup>2</sup> In the sense of nationally regulated investment funds for which a classification in terms of market exposure (equity, bond, balanced and money market) is not possible.

<sup>3</sup> Data for Russia are not included in this table.