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ASIA FUND FLOWS REACH \$80 BILLION IN 2008, LED BY GAINS IN CHINA

NEW YORK, NY – February 5, 2009 – Investors across Asia placed \$80 billion into mutual funds on a net basis during 2008, despite assets under management declining 30% in the region along with the global financial crisis, according to Strategic Insight research. China led the region with a \$36 billion inflow, nearly all of it in the fourth quarter. Positive results also were recorded in almost every Asian market last year, most notably in Japan and Korea.

“The progress in Asia through a very difficult period helps to reaffirm the commitment of many international and local fund managers to the region,” according to Jag Alexeyev, Senior Managing Director and Strategic Insight’s Head of Global Research. “However, only 30% of all funds are getting net inflows today compared to well over 50% in 2007, as providers adapt to a much more competitive and rapidly changing environment.”

Product development remained essential, with new launches last year capturing \$100 billion across Asia. Thus, funds introduced before 2008 posted aggregate outflows, although some older ones, particularly cash management vehicles, continued to get money. Among new product themes, higher yield structures in Japan and stable income bond in China were most evident.

Overall gains across the region also contrasted with Europe, where mutual funds suffered nearly \$500 billion of net redemptions during 2008 across all asset classes, and \$680 billion of outflows excluding money market and exchange traded funds. December, however, brought some relief to Europe's industry with far better results than prior months, and modest equity fund net inflows.

About Strategic Insight

Strategic Insight is a research and consulting firm that supports over 250 companies around the world with analysis, perspective, and data on the fund industry; its Simfund databases, the world's analytical source for mutual fund business trends, track flows, assets, performance, ratings, and other intelligence on more than 65,000 portfolios and many more fund share classes globally.

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