

FOR IMMEDIATE RELEASEJag Alexeyev, Senior Managing Director, +1 (212) 944-4456, Jag@sionline.comDaniel Enskat, Managing Director, +1 (212) 217-6859 Daniel@sionline.com***FUNDS IN ASIA GET \$35 BILLION Q2 INFLOW, WHILE REDEMPTIONS DEEPEN IN EUROPE***

NEW YORK, NY – August 5, 2008 – **Mutual funds in Asia captured \$35 billion of net inflows during the second quarter, a remarkable result given recent volatility.** Every major market in Asia registered inflows except China, where net redemptions were limited to just \$5 billion, a reassuring sign for a young industry with many new investors and equity fund price declines averaging 20% during the quarter.

Asia contrasts sharply with Europe, where funds suffered \$100 billion of net redemptions in June alone. Excluding money market programs, outflows from Europe and offshore funds reached \$280 billion in the first half of this year according to Strategic Insight’s Simfund Global databases, which track funds totaling \$23 trillion of assets worldwide.

“The resilience of Asia's investors despite the financial market stress is encouraging more asset managers to commit to the continent over the long haul”, commented Jag Alexeyev, Senior Managing Director and Head of Global Research at Strategic Insight. “We continue to see demand for various strategies including global bond, emerging markets, Middle East and frontier investments, stable income, and even some China equity vehicles.”

So far this year across Asia, investors added over \$80 billion in net new assets to local funds, of which 70% went to bond, equity, and guaranteed products, and the rest to money market funds. Although June results excluding money programs were lower than before, they marked yet another consecutive month of uninterrupted positive flows in the region since the start of 2006.

Highlighting findings from Strategic Insight's upcoming report on Asia and global distribution, Daniel Enskat, Managing Director and Head of Global Consulting, notes that "the current environment has reinforced the inherent strengths of mutual funds – liquidity, transparency, affordability and benefits of diversification – with many new product joint ventures in 2008 around emerging markets, thematic investing and back to basics asset allocation."

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 track flows, assets, performance, ratings, and other intelligence on more than 60,000 portfolios and many more fund share classes globally totaling \$23 trillion in assets.

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