



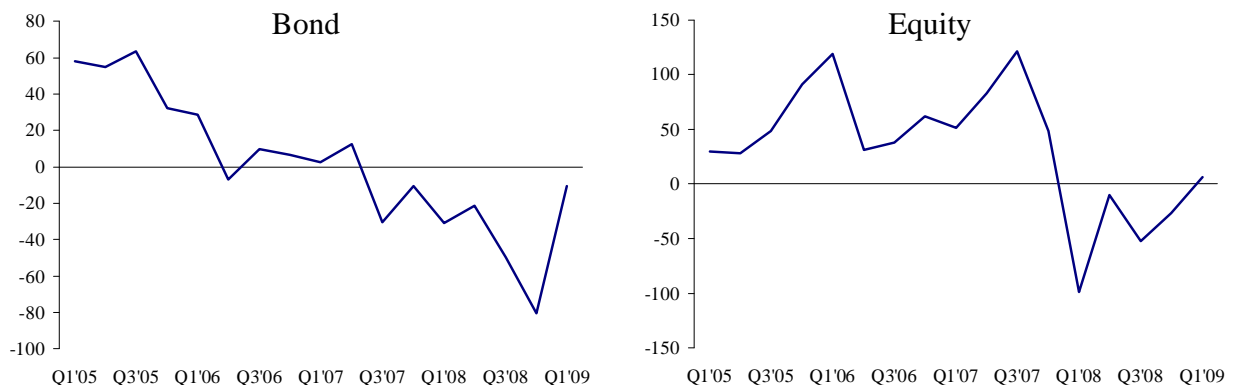
May 20, 2009

The Bigger Picture: Global Fund Results and Perspective

Developing Themes, New Fund and Product Trends, Q1'09 and Recent Progress

- Improvement in the quarter, especially for bond funds worldwide:** The direction of fund net flows around the world during Q1'09 brought a small measure of relief for investment managers, although experiences varied and challenges remain. Bond fund net redemptions in Asia and Europe narrowed considerably, with better results than any quarter since early 2007. Several companies including BlueBay, M&G, and Nomura attracted substantial billion dollar gains into fixed income products. In the US, bond funds took in \$63 billion in the first quarter, the highest volume in seven years. Many of our discussions with industry executives now focus on the growing importance of bond and income solutions. Meanwhile, equity funds outside the US swung to a positive \$6 billion inflow during Q1, the first positive quarter since 2007. Preliminary April results suggest strong gains in both Asia and Europe (combined, at least \$30 billion), while long-term funds in the US experienced a dramatic rebound with \$50 billion of inflows during that month.

Fund Net Flows in Asia and Europe (US\$ Billion)



Source: Strategic Insight Simfund GL

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