

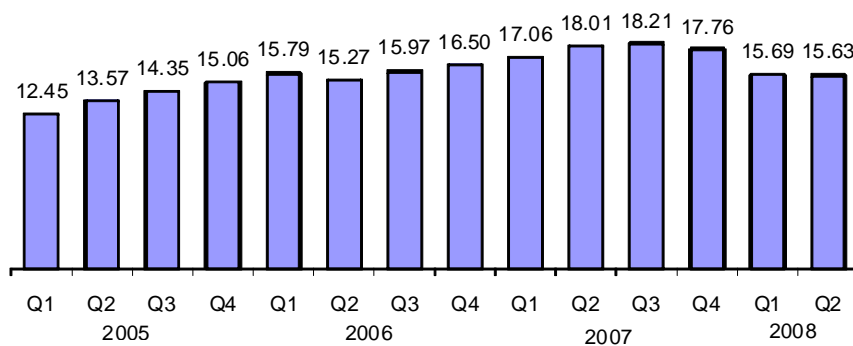
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## Worldwide Investment Fund Assets and Flows Trends in the Second Quarter 2008

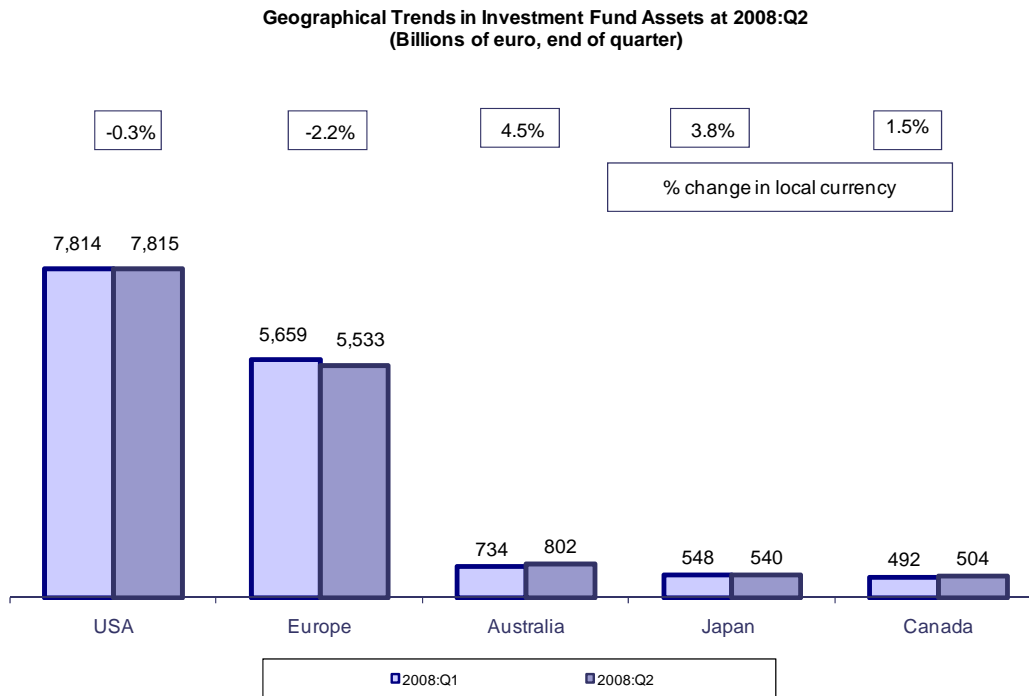
**Brussels, 27 October 2008.** Investment fund assets worldwide decreased by 0.4 percent to €15.6 trillion at the end of the second quarter of 2008. Net cash flow to all funds was €17.5 billion in the second quarter, as net flows into long-term funds more than offset net flows out of money market funds. Long-term funds had net inflows of €63 billion in the second quarter, partially reversing net outflows of €40 billion in the first quarter. The reversal was due to strengthening net flows into equity funds and balanced funds, which combined had net inflows of €28 billion in the second quarter, compared to net outflows of €97 billion in the first quarter. After 12 consecutive quarters with positive net flows, money market fund flows turned negative in the second quarter. Money market funds experienced net outflows of €45 billion in the second quarter, compared to inflows of €326 billion in the first quarter of 2008 and inflows of €582 billion for the year in 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 44 countries.

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



Measured in euro terms and taking into account funds of funds, investment fund assets grew in Canada and Australia. Investment fund assets remained almost unchanged in the United States, while assets slightly decreased in Europe and Japan. (Although, as far Japan is concerned, measured in yen terms, fund assets actually rose by 3.8%.)



**Geographical Trends by Type of Fund, 2008:Q2**  
(Billions of euros, end of quarter)

	USA	Europe (1)	Japan	Canada
<b>Equity</b>	<b>3,708</b>	<b>1,740</b>	<b>362</b>	<b>194</b>
% chg in EUR (2)	0%	-3%	-1%	2%
% chg in loc. cur. (3)	0%	-3%	5%	1%
<b>Bond</b>	<b>1,114</b>	<b>1,064</b>	<b>58</b>	<b>37</b>
% chg in EUR (2)	2%	-4%	-1%	1%
% chg in loc. cur. (3)	2%	-4%	5%	1%
<b>Money Market</b>	<b>2,158</b>	<b>1,014</b>	<b>17</b>	<b>44</b>
% chg in EUR (2)	-2%	-1%	-6%	9%
% chg in loc. cur. (3)	-2%	-1%	-1%	8%
<b>Balanced / Mixed</b>	<b>428</b>	<b>770</b>	<b>--</b>	<b>157</b>
% chg in EUR (2)	0%	-2%	--	3%
% chg in loc. cur. (3)	0%	-2%	--	2%
<b>Other (4)</b>	<b>408</b>	<b>321</b>	<b>103</b>	<b>73</b>
% chg in EUR (2)	4%	1%	-2%	0%
% chg in loc. cur. (3)	3%	1%	4%	0%

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

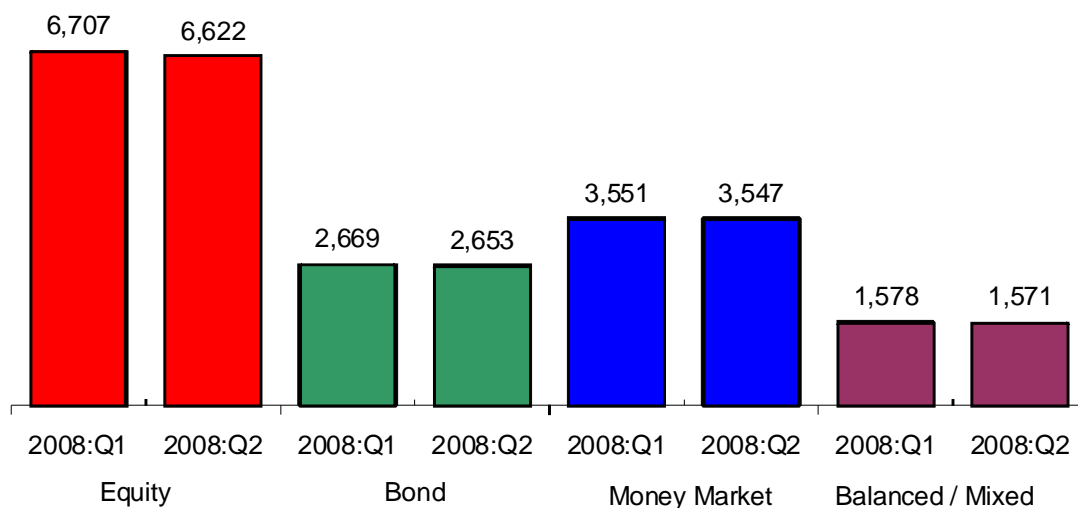
(2) 2008:Q2 compared to 2008:Q1.

(3) 2008:Q2 compared to 2008:Q1, using the euro as the local currency for Europe.

(4) Including funds of funds.

On a euro denominated basis, both long-term fund assets and money market fund assets declined. Assets of equity funds fell by 1.3 percent, with €6.6 trillion in assets at the end of the second quarter of 2008. Bonded fund assets declined by 0.4 percent and bond fund assets declined by 0.5 percent in the quarter. Assets of money market funds fell by 0.1 percent to €3.5 trillion at the end of the second quarter.

**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	Q2	Q3	Q4	Q1	Q2	Q3	Q4						
<b>Equity</b>	54	27	9	35	-24	22	-3	-4	-22	-25	-75	-15	90	77	23	58	-87	18
<b>Bond</b>	44	42	15	23	40	35	9	12	-46	-32	-40	-25	53	72	-37	-21	8	9
<b>Money Market</b>	51	74	227	184	225	-41	53	26	-20	-13	83	-18	102	103	205	173	326	-45
<b>Balanced / Mixed</b>	10	7	5	8	3	7	33	28	5	7	-11	2	53	43	17	29	-10	10
Other (3)	28	25	20	30	19	19	16	23	23	24	13	-2	70	71	53	63	48	26
<b>Total</b>	187	175	275	279	263	43	107	84	-61	-40	-30	-58	368	366	261	302	285	18

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

(2) 34 countries reported in 2007:Q1, 2007:Q2, 2007:Q3 and 2008:Q1; 35 countries in 2007:Q4

36 in 2008:Q2. Assets of reporting countries represented 89 percent of all countries at the end of 2008:Q2.

(3) Including net sales of funds of funds.

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

Net cash flow into investment funds worldwide was €18 billion in the second quarter of 2008, with net flows into long-term funds more than offsetting net flows out of money market funds. Net inflows into equity funds worldwide were €18 billion in the second quarter, compared to a net outflow of €7 billion in the first quarter of 2008. The United States registered net inflows of €22 billion into equity funds in the second quarter, compared to a net outflow of €24 billion in the first quarter. The pace of net outflows from European equity funds slackened in the second quarter, with €15 billion in outflows compared to €75 billion in the first quarter. Flows to equity funds in the Asia/Pacific region slowed but remained positive, dropping to €10 billion in the second quarter compared to €21 billion in the first quarter.

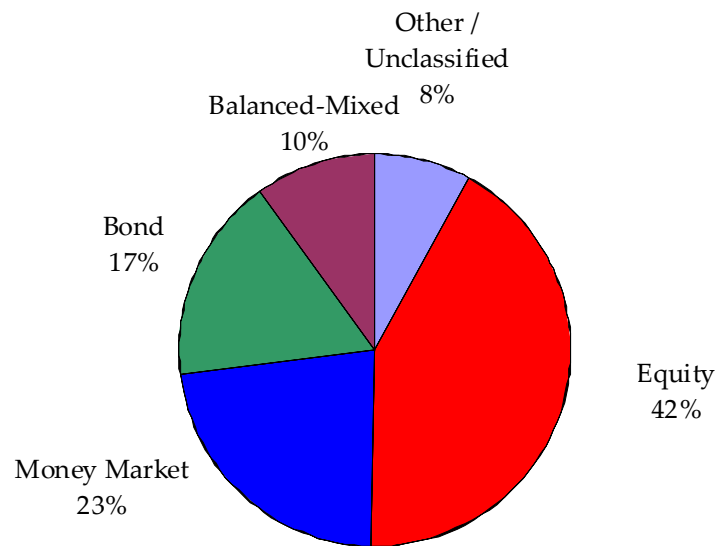
Bond funds experienced €9 billion in net inflows in the second quarter of 2008, compared to net inflows of €8 billion in the first quarter of 2008. Net inflows to bond funds were €35 billion in the United States in the second quarter, down from €40 billion in the first quarter. Net outflows from bond funds were €25 billion in Europe in the second quarter, compared to net outflows of €40 billion in the first quarter.

Worldwide flows into balanced funds rebounded in the second quarter of 2008, with €10 billion in net inflows compared to net outflows of €10 billion in the first quarter of 2008. Net flows into balanced funds in the United States increased to €7 billion in the second quarter after inflows had slowed to €3 billion in the first quarter. European balanced funds experienced net inflows of €2 billion in the second quarter of 2008 compared to net outflows of €1 billion in the first quarter of 2008.

Worldwide money market funds experienced net outflows for the first time since the first quarter of 2005. Net outflows were €45 billion in the second quarter of 2008 compared to inflows of €26 billion in the first quarter of 2008 and an average of €45 billion of inflows per quarter in 2007. Net flows out of money market funds in the United States were €41 billion in the second quarter, compared to inflows of €25 billion in the first quarter. European money market funds had net outflows of €18 billion in the second quarter compared to inflows of €3 billion in the first quarter.

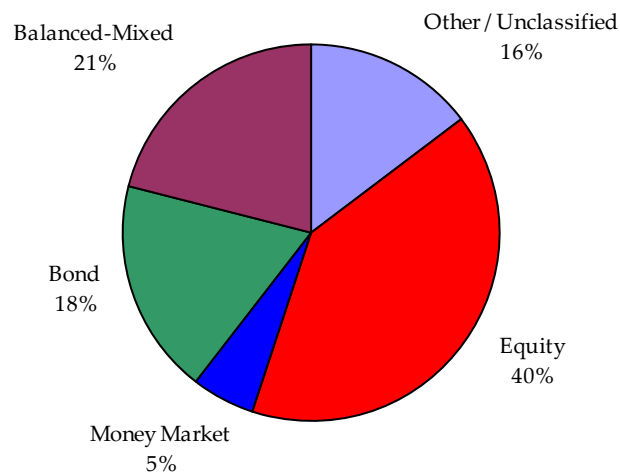
At the end of the second quarter of 2008, 42 percent of worldwide mutual fund assets were held in equity funds. The asset share of bond funds was 17 percent and the asset share of balanced fund was 10 percent. Money market fund assets represented 23 percent of the worldwide total.

**Composition of Worldwide Investment Fund Asset, 2008:Q2**  
(Percent of total assets, end of quarter)

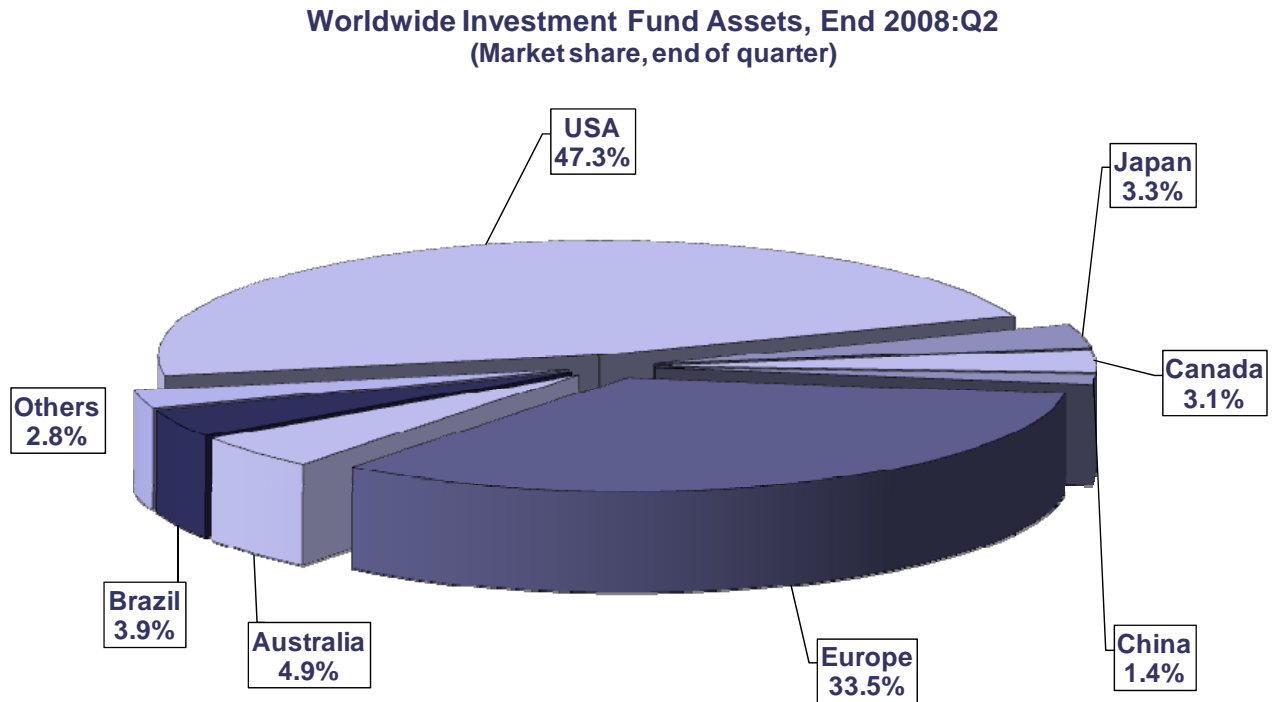


The number of mutual funds worldwide stood at 68,469 at the end of the second quarter of 2008. By type of fund, 40 percent were equity funds, 21 percent were balanced/mixed funds, 18 percent were bond funds, and 5 percent were money market funds.

**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, 47.3 percent and 33.5 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 June 2008 are provided in Table 6 in annex.

**Table 1**  
**TOTAL NET ASSETS, 2003-2008:Q2**  
Billions of U.S. dollars, end of period

ITEM	2003	2004	2005	2006	2007			2008	
					Q2	Q3	Q4	Q1	Q2
<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>24,519</b>	<b>25,790</b>	<b>26,151</b>	<b>24,807</b>	<b>24,641</b>
Equity	5,923	7,219	8,333	10,508	12,015	12,541	12,446	10,605	10,438
Bond	3,047	3,313	3,450	3,871	4,123	4,217	4,277	4,221	4,182
Money Market	3,206	3,323	3,364	3,864	4,275	4,663	4,961	5,615	5,591
Balanced/Mixed	1,198	1,445	1,566	2,049	2,432	2,588	2,632	2,495	2,476
Other	311	398	512	676	791	861	884	885	968
<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>22,697</b>	<b>23,708</b>	<b>23,981</b>	<b>22,697</b>	<b>22,637</b>
Equity	5,766	7,031	8,123	10,226	11,551	11,946	11,827	10,075	9,981
Bond	2,953	3,217	3,339	3,755	3,993	4,068	4,119	4,050	4,016
Money Market	3,157	3,254	3,289	3,769	4,158	4,534	4,812	5,460	5,440
Balanced/Mixed	1,128	1,364	1,485	1,927	2,226	2,324	2,367	2,255	2,260
Other	296	380	495	656	769	836	856	857	940

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:Q2**  
Billions of U.S. dollars

ITEM	2004	2005	2006	2007	2007			2008	
					Q2	Q3	Q4	Q1	Q2
<b>All Reporting Countries<sup>2</sup></b>	<b>457</b>	<b>971</b>	<b>1,299</b>	<b>1,538</b>	<b>431</b>	<b>316</b>	<b>382</b>	<b>394</b>	<b>2</b>
Equity	357	416	534	328	99	31	84	-132	28
Bond	109	224	108	84	97	-50	-30	13	14
Money Market	-120	120	366	800	138	279	250	486	-70
Balanced/Mixed	82	108	203	196	62	23	42	-15	15
Other	29	102	88	130	35	32	36	41	15
<b>Countries Reporting in Every Period<sup>3</sup></b>	<b>307</b>	<b>671</b>	<b>951</b>	<b>1,212</b>	<b>307</b>	<b>263</b>	<b>332</b>	<b>361</b>	<b>-28</b>
Equity	298	317	414	315	88	35	87	-67	30
Bond	62	91	77	73	58	-26	-6	34	31
Money Market	-131	128	336	728	123	254	238	416	-85
Balanced/Mixed	69	112	102	68	25	-5	13	-28	-7
Other	8	23	21	28	13	5	1	5	3

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:Q2**  
End of period

ITEM	2003	2004	2005	2006	2007			2008	
					Q2	Q3	Q4	Q1	Q2
<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>63,604</b>	<b>64,058</b>	<b>66,350</b>	<b>67,220</b>	<b>68,469</b>
Equity	22,688	22,362	23,264	25,698	26,123	26,430	27,319	27,284	27,636
Bond	11,886	13,309	13,231	13,571	13,456	13,380	13,306	12,961	12,663
Money Market	4,974	3,623	3,536	3,409	3,422	3,421	3,452	3,562	3,723
Balanced/Mixed	11,465	11,603	11,393	12,530	13,135	13,127	13,756	13,973	14,388
Other	1,578	1,997	3,317	4,116	4,993	5,169	5,619	6,538	7,090
<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>46,016</b>	<b>46,730</b>	<b>47,661</b>	<b>47,520</b>	<b>47,987</b>
Equity	20,018	19,918	20,044	21,805	21,665	21,998	22,449	22,156	22,333
Bond	9,847	9,961	10,004	10,292	10,255	10,297	10,241	9,876	9,675
Money Market	2,652	2,899	2,799	2,663	2,628	2,633	2,635	2,724	2,860
Balanced/Mixed	7,857	8,095	7,857	8,540	9,011	9,289	9,737	9,826	10,140
Other	1,315	1,481	1,723	2,094	2,457	2,513	2,599	2,938	2,979

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:Q2**  
Billions of euros, end of period

ITEM	2003	2004	2005	2006	2007			2008	
					Q2	Q3	Q4	Q1	Q2
<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>18,156</b>	<b>18,189</b>	<b>17,764</b>	<b>15,689</b>	<b>15,631</b>
Equity	4,690	5,300	7,063	7,979	8,897	8,844	8,454	6,707	6,622
Bond	2,413	2,432	2,924	2,940	3,053	2,974	2,905	2,669	2,653
Money Market	2,539	2,439	2,852	2,934	3,166	3,289	3,370	3,551	3,547
Balanced/Mixed	948	1,061	1,328	1,556	1,801	1,825	1,788	1,578	1,571
Other	246	292	434	513	586	607	600	560	614
<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>16,807</b>	<b>16,720</b>	<b>16,290</b>	<b>14,354</b>	<b>14,360</b>
Equity	4,565	5,162	6,886	7,765	8,554	8,425	8,034	6,372	6,331
Bond	2,338	2,362	2,831	2,851	2,957	2,869	2,798	2,561	2,548
Money Market	2,500	2,389	2,788	2,861	3,079	3,197	3,269	3,453	3,451
Balanced/Mixed	893	1,002	1,259	1,463	1,648	1,639	1,608	1,426	1,434
Other	234	279	420	498	570	590	582	542	596

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:Q2**  
Billions of euros

ITEM	2004	2005	2006	2007	2007			2008	
					Q2	Q3	Q4	Q1	Q2
<b>All Reporting Countries<sup>2</sup></b>	<b>362</b>	<b>785</b>	<b>1,039</b>	<b>1,126</b>	<b>320</b>	<b>230</b>	<b>263</b>	<b>263</b>	<b>1</b>
Equity	286	337	430	241	73	23	58	-88	18
Bond	86	177	88	66	72	-37	-21	9	9
Money Market	-98	102	288	580	102	203	173	325	-45
Balanced/Mixed	65	88	163	144	46	17	29	-10	10
Other	24	82	70	94	26	24	25	28	9
<b>Countries Reporting in Every Period<sup>3</sup></b>	<b>241</b>	<b>543</b>	<b>760</b>	<b>889</b>	<b>228</b>	<b>192</b>	<b>229</b>	<b>241</b>	<b>-18</b>
Equity	237	257	333	233	65	25	60	-45	19
Bond	48	71	62	56	43	-19	-4	23	20
Money Market	-106	108	264	528	91	185	164	278	-54
Balanced/Mixed	55	90	83	51	19	-4	9	-19	-4
Other	7	19	17	21	10	4	1	4	2

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 June 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	2,327	148,864	234,670	1,586	98,039	154,548	741	50,826	80,122
Belgium	1,858	109,147	172,060	1,823	103,333	162,894	35	5,815	9,166
Bulgaria	65	300	473	65	300	473	0	0	0
Czech Republic	107	6,579	10,371	105	6,515	10,270	2	64	102
Denmark	796	122,291	192,779	507	61,653	97,189	289	60,638	95,590
Finland	530	55,877	88,085	390	46,625	73,500	140	9,252	14,585
France	12,055	1,405,800	2,216,103	8,384	1,256,200	1,980,274	3,671	149,600	235,829
Germany	6,046	982,947	1,549,518	1,876	230,574	363,477	4,170	752,373	1,186,041
Greece	277	18,598	29,318	267	17,463	27,529	10	1,135	1,789
Hungary	368	12,788	20,159	306	9,778	15,413	62	3,010	4,746
Ireland	4,925	785,363	1,238,046	2,969	625,360	985,817	1,956	160,003	252,229
Italy	1,142	300,103	473,083	753	231,158	364,397	389	68,945	108,686
Liechtenstein	578	20,162	31,783	477	18,334	28,902	101	1,828	2,881
Luxembourg	11,797	1,902,092	2,998,458	9,136	1,663,097	2,621,706	2,661	238,995	376,752
Netherlands	545	78,455	123,676	481	65,636	103,468	64	12,819	20,208
Norway	520	46,380	73,113	520	46,380	73,113	0	0	0
Poland	390	28,524	44,965	201	22,215	35,020	189	6,309	9,946
Portugal	511	31,288	49,322	210	16,863	26,582	301	14,425	22,740
Romania	62	2,983	4,703	49	246	388	13	2,737	4,315
Slovakia	125	4,575	7,213	79	4,404	6,942	46	172	271
Slovenia	120	3,134	4,940	113	2,251	3,549	7	882	1,391
Spain	3,029	239,973	378,294	2,965	230,250	362,966	64	9,723	15,328
Sweden	556	117,469	185,178	539	114,765	180,916	17	2,704	4,263
Switzerland	749	153,549	242,054	541	114,120	179,899	208	39,428	62,155
Turkey	334	15,051	23,726	284	12,573	19,819	50	2,478	3,907
United Kingdom	2,790	635,437	1,001,702	2,318	535,295	843,840	472	100,141	157,862
<b>Europe <sup>3</sup></b>	<b>52,602</b>	<b>7,227,729</b>	<b>11,393,793</b>	<b>36,944</b>	<b>5,533,426</b>	<b>8,722,893</b>	<b>15,658</b>	<b>1,694,304</b>	<b>2,670,900</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.