

**ASIAN FUND INDUSTRY FORECAST TO GROW BY 46%:
Lipper FMI Asian Fund Market Almanac 2009**

Lipper FMI's 2009 'Asian Fund Market Almanac', a 300-page report that examines each of twelve Asian fund markets in detail has been published. Key Trends are attached – highlights follow below:

Lipper FMI, a Thomson Reuters company, predicts that the Asian fund industry will grow from US\$1.2 trillion to US\$1.9 trillion in 2014 — a 46% increase. Such growth is forecast to come despite an expected decline in fund assets in 2010.

The twelve Asian fund markets analysed by Lipper FMI posted net sales of US\$34 billion over the first half of 2009. At one end of the scale India enjoyed inflows of US\$28 billion, while the Chinese industry suffered net redemptions of US\$39 billion. The latter's investors withdrew almost as much as they had invested for the whole of 2008 (US\$48 billion).

Bella Caridade-Ferreira, Head of Market Research at Lipper FMI, commented: "These Asian countries have all the necessary ingredients for robust long-term growth of their mutual fund industries, even though the next few years may well be very rocky. These are not get-rich-quick markets for fund managers; anyone with serious ambitions in Asia needs to take a very long-term view; at least 20 years. But by then Asia could well have overtaken both Europe and the US in terms of industry size."

Already in 2009, the Asian fund markets have packed a punch above their weight. While Asian funds have assets less than a third the size of those in domestic European funds, Asian net sales were just 20% lower than in Europe over the first half of 2009.

Jan-June 2009	Net Sales (US\$bn)	Total Net Assets (US\$bn)
Asia (domestic)	34.2	1,179.2
Europe (domestic)	44.4	3,925.2
International (4)	33.3	2,180.7

Looking purely at European fund companies selling UCITS products into Asia in 2008, gross sales of these funds totalled US\$56 billion, although the scale of redemptions brought the net figure down to US\$16 billion.

Notes

- 1) Countries included: China, Hong Kong, India, Indonesia, Japan, Malaysia, Pakistan, Philippines, Singapore, South Korea, Taiwan and Thailand.
- 2) Undertakings for Collective Investment in Transferable Securities, which effectively acts as a 'passport' to enable European funds in one jurisdiction to be sold into another jurisdiction.
- 3) The net sales figure is the product of gross sales and redemptions.
- 4) UCITS sourcing less than 80% of their assets from a single market.