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Press Release

World-wide events in spring and the continued slow-down in global growth in summer unnerve investors and result in Q3 fund outflows

- European fund management industry remains committed to playing a key role in restoring the confidence of its consumers -

Brussels, 29th November 2011: Today, at its annual Investment Management Forum, the European Fund and Asset Management Association (EFAMA) published its latest Quarterly Statistical Release, which describes trends in the European investment fund industry for the third quarter of 2011. The highlights for this quarter are:

- **UCITS witnessed net outflows of EUR 83 billion in the third quarter of 2011, compared to net inflows of EUR 18 billion recorded in the second quarter.** The third quarter marked a severe turnaround in fortunes as UCITS witnessed quarterly net outflows for the first time since the onset of the sovereign debt crisis in the second quarter of 2010.
- **Long-term UCITS, i.e. UCITS excluding money market funds, experienced net outflows of EUR 78 billion during the quarter, the first quarterly outflow since the first quarter of 2009.** A shift in investor sentiment amidst increasing uncertainty on the global economic outlook and an escalation of the European sovereign debt crisis made for a tough third quarter on financial markets.
- **Total net assets of UCITS decreased by 7.1 percent during the third quarter to stand at EUR 5,472 billion at end September 2011.**

Net assets of equity funds experienced the highest asset decrease, falling by 16.1 percent. Equity funds are responsible for 80 percent of the fall in total net UCITS assets during the quarter.

Bond funds experienced a decrease in net assets of 1.1 percent.

Money market funds bucked the trend to record an increase in net assets of 1.5 percent during the quarter.

- **Total net assets of non-UCITS decreased by 0.9 percent in the third quarter to stand at EUR 2,195 billion at end September 2011.** Thanks to continued net inflows, assets of special funds reserved to institutional investors saw a modest increase of 0.2 percent during the quarter, standing at EUR 21 billion compared to EUR 16 billion during the second quarter.
- **The combined assets of the investment fund market in Europe, i.e. the market for UCITS and non-UCITS, decreased by 5.4 percent in the third quarter to stand at EUR 7,667 billion at end September 2011.** This compares to net assets of EUR 6,171 billion at end 2008, EUR 7,154 at end 2009 and EUR 8,142 billion at end 2010.

Claude Kremer, President of EFAMA, comments: *“Last year, European investment funds experienced a 14 percent increase in their assets to reach €8.1 trillion. UCITS continued to attract net inflows during the first quarter of this year. But, the tragic earthquake in Japan, unrest in North Africa and the Middle East, and tensions in sovereign debt markets triggered volatility in financial markets and unnerved investors in the spring. These events have created a vicious circle with a slow-down in global economic growth, losses in worldwide stock markets, and rising investors’ risk aversion. These developments have had a severe negative impact on our industry during the summer.*”

“The fund and asset management industry is still managing today €1.7 trillion in assets more than in March 2009. This figure allows us to put the developments so far this year into perspective. This is not to say, however, that we are not worried. Today it is clear that the crisis that started in 2007 will have a much more profound effect on our economies than expected only a few months ago. In the meantime, our industry remains committed to playing a key role in restoring the confidence of its consumers.”

- Ends -

* Please see the accompanying attachment for the EFAMA Quarterly Statistical Release.

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About the European Fund and Asset Management Association (EFAMA)

EFAMA is the representative association for the European investment management industry. EFAMA represents through its 27 member associations and 55 corporate members approximately EUR 14 trillion in assets under management of which EUR 8 trillion was managed by approximately 53,000 funds at the end of 2010. For more information about EFAMA, please visit www.efama.org.

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