

The Investment Funds Industry: Overview

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Irish Funds Industry Association

XXV Annual IIFA Conference

Stockholm Sweden

19 Sept 2011

why? IrelandTM
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www.irishfunds.ie

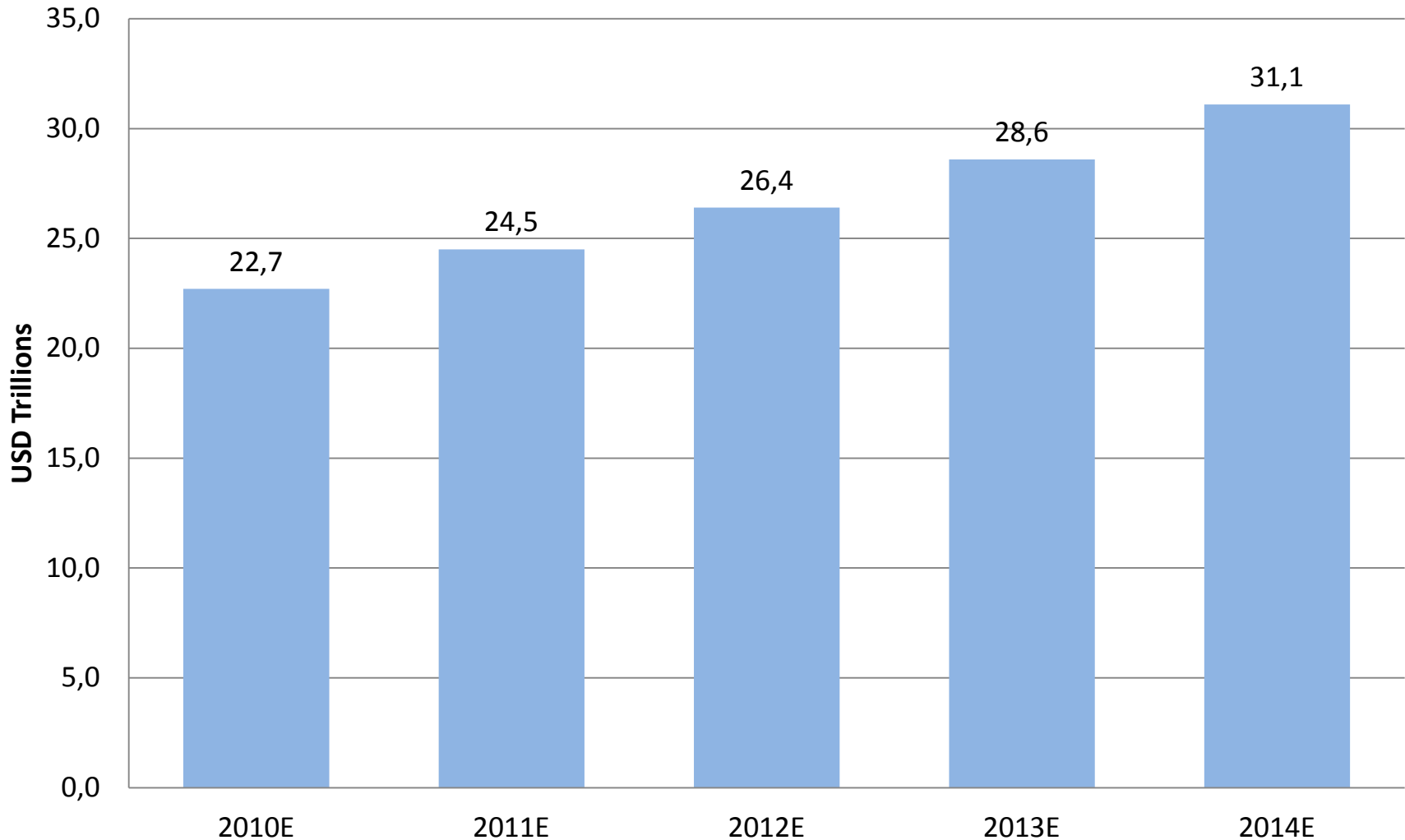
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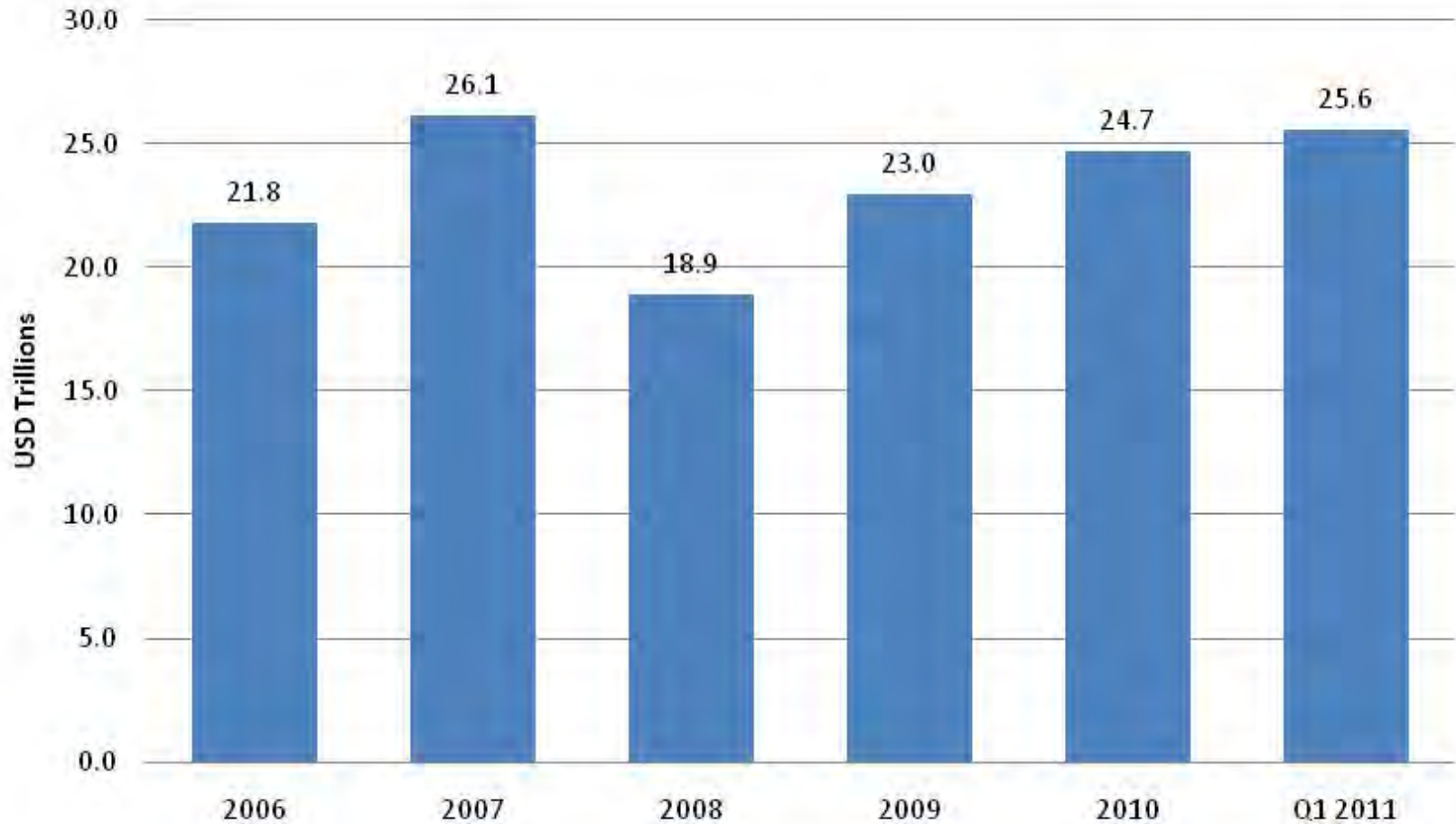
Industry Issues

- Regulation overload (with particular reference to distribution)
- (Stiffer) Competition from other products
- Investor Confidence; Economic Conditions

Global Assets of Investment Funds – Projections 2010

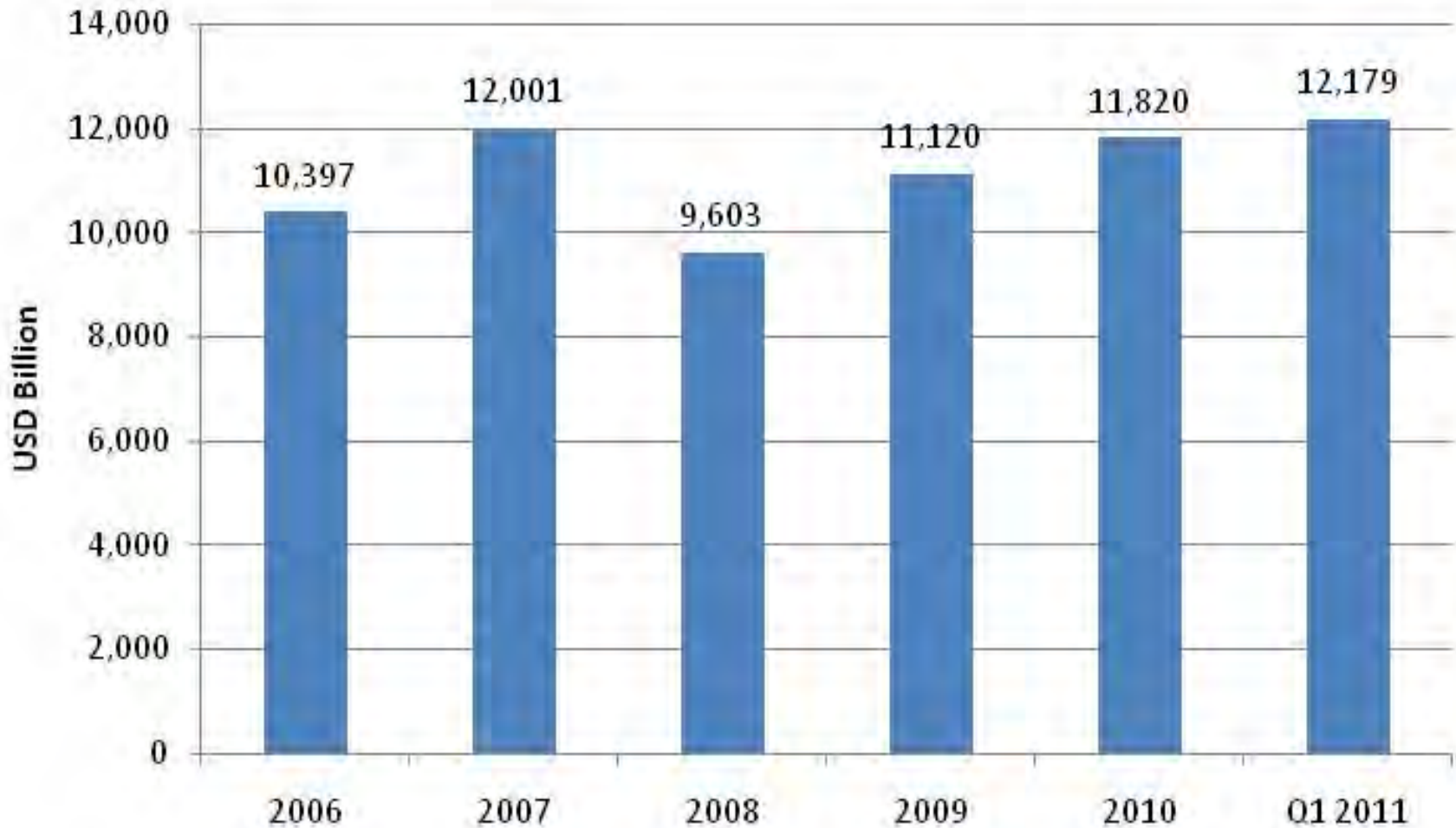


Global Assets of Investment Funds



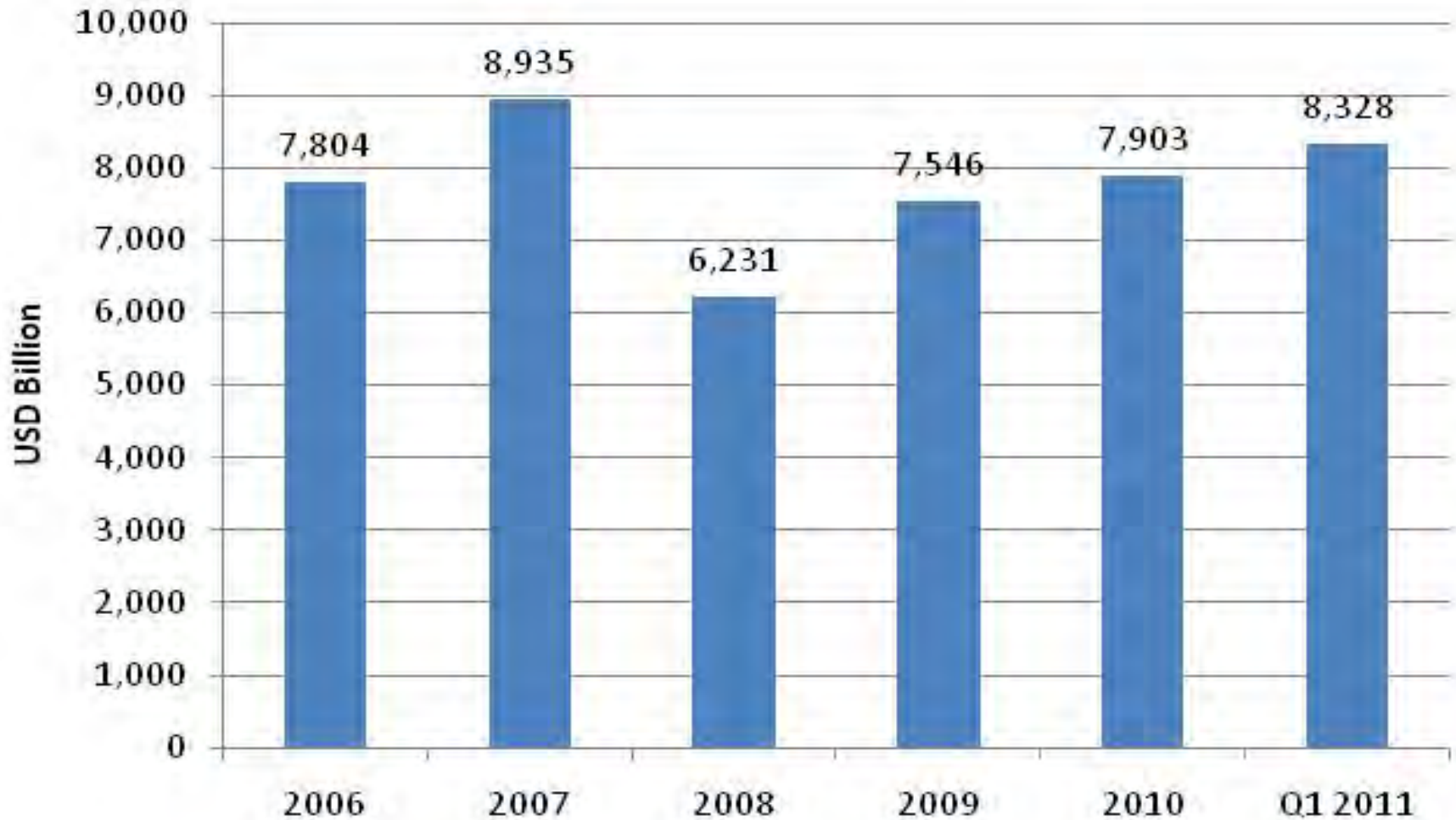
Source: International Investment Fund Association

Fund Assets USA



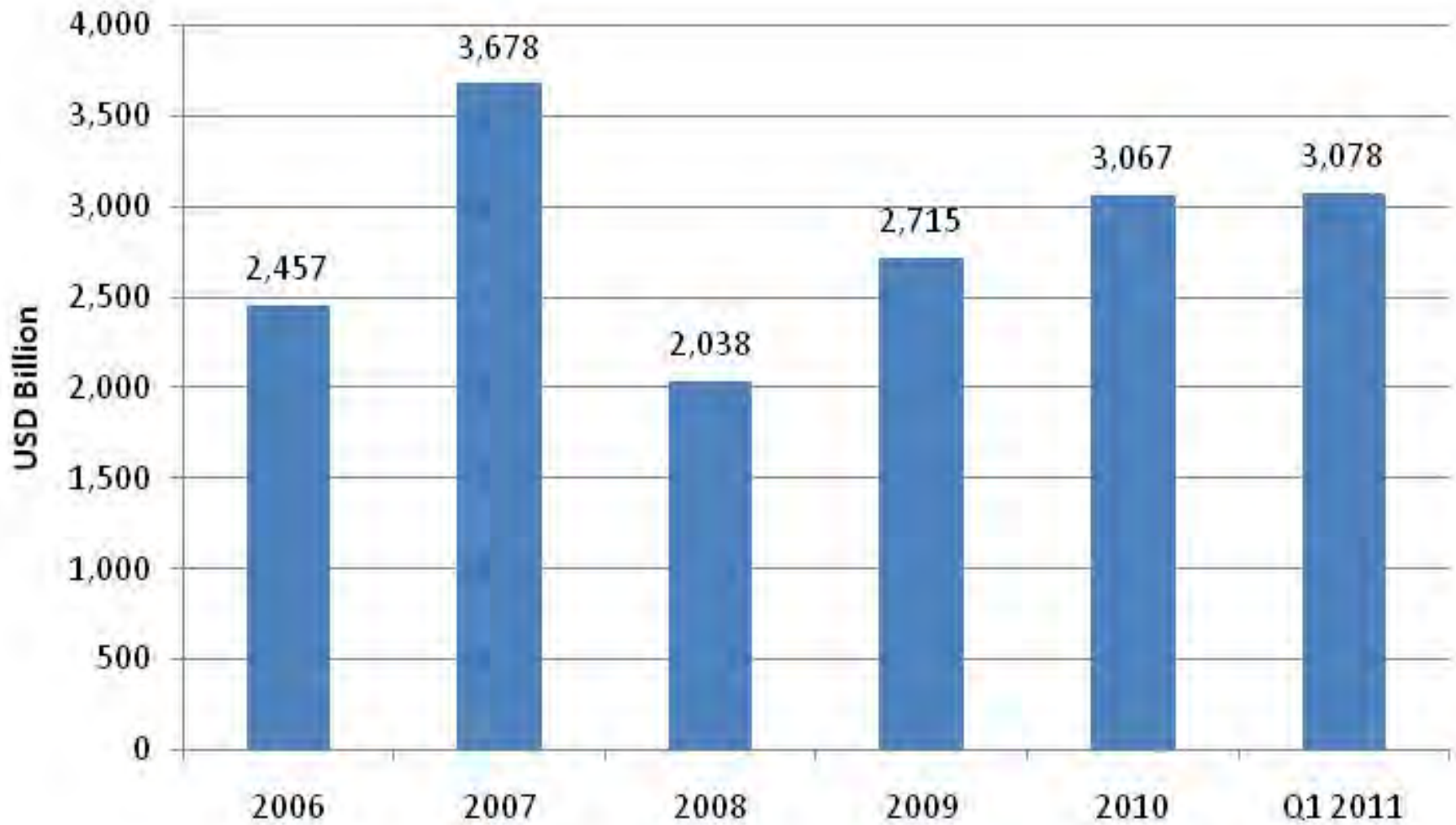
Source: International Investment Fund Association

Fund Assets - Europe



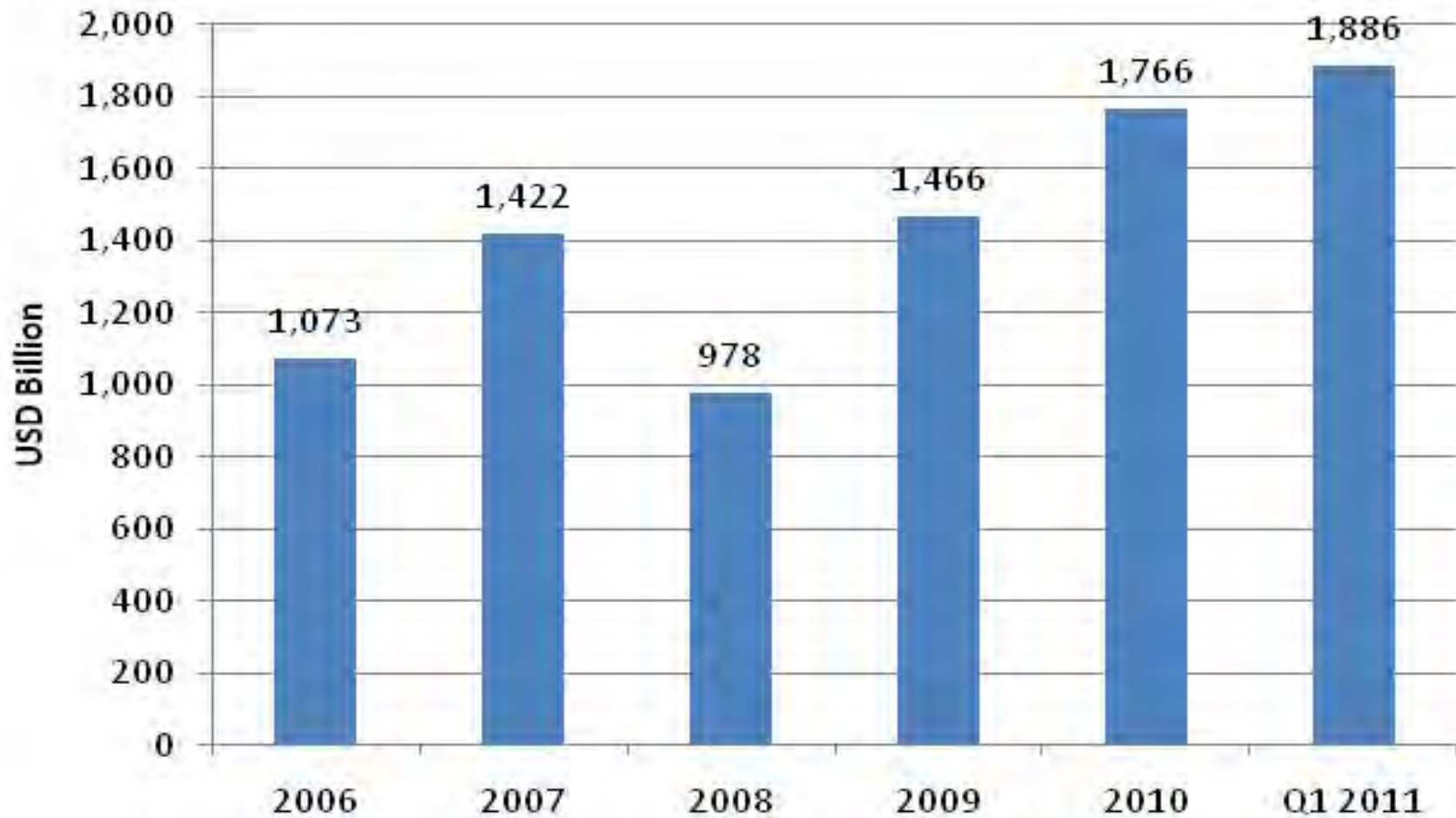
Source: International Investment Fund Association

Fund Assets – Asia Pacific



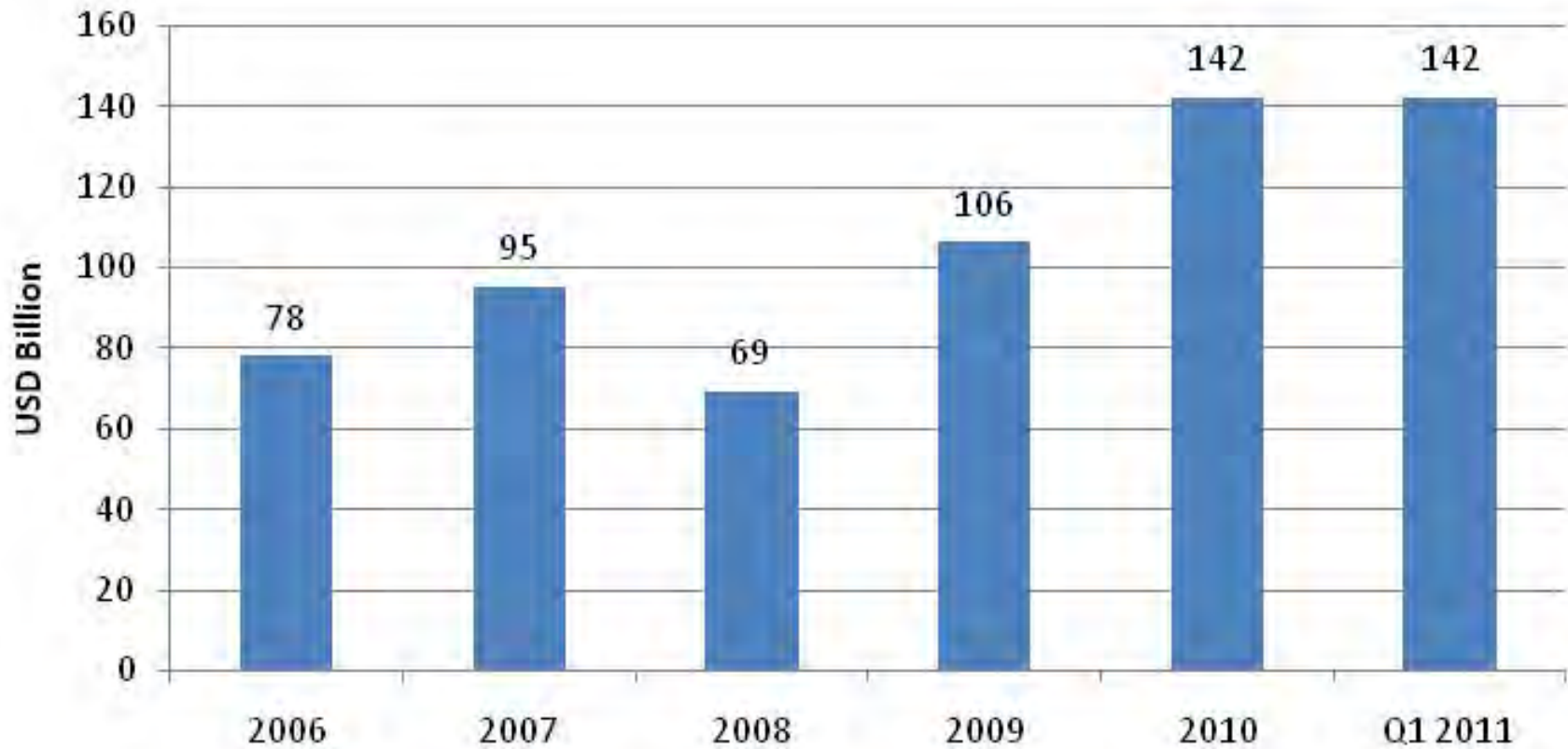
Source: International Investment Fund Association

Fund Assets – Americas ex USA



Source: International Investment Fund Association

Fund Assets – Africa



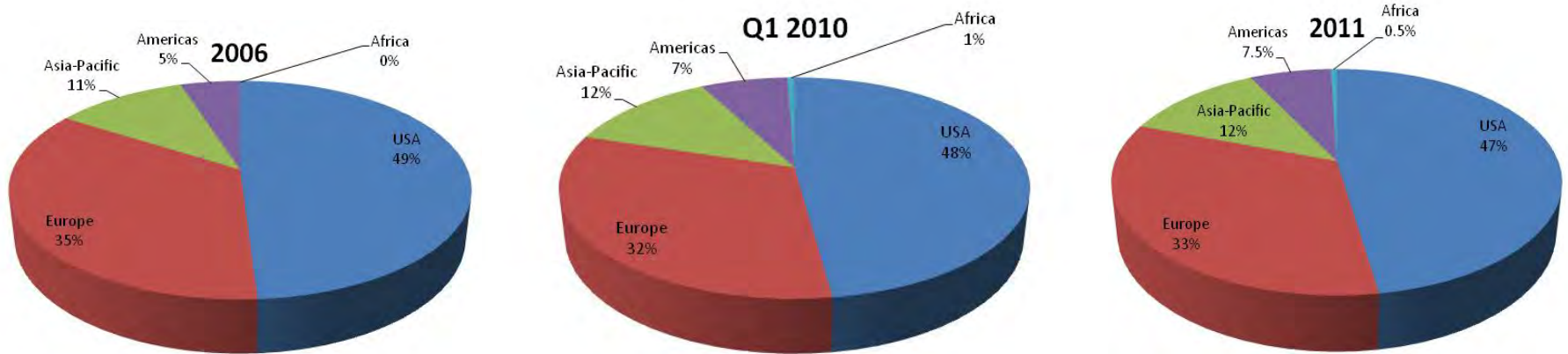
Source: International Investment Fund Association

% Growth in Assets by Region

Region	2006	2007	2008	2009	2010	2011
World	21,807,505	26,130,686	18,919,014	22,952,846	24,699,197	25,614,165
Percentage Change	23%	20%	-28%	21%	8%	4%
USA	10,396,508	12,000,645	9,602,605	11,120,199	11,820,677	12,179,692
Percentage Change	17%	15%	-20%	16%	6%	3%
Europe	7,803,906	8,934,864	6,231,116	7,545,531	7,903,389	8,328,024
Percentage Change	30%	14%	-30%	21%	5%	5%
Asia-Pacific	2,456,511	3,678,330	2,037,536	2,715,233	3,067,323	3,078,863
Percentage Change	27%	50%	-45%	33%	13%	0%
Americas	1,072,554	1,421,626	978,340	1,465,622	1,766,193	1,885,642
Percentage Change	25%	33%	-31%	50%	21%	7%
Africa	78,026	95,221	69,417	106,261	141,615	141,943
Percentage Change	19%	22%	-27%	53%	33%	0%

Source: International Investment Fund Association

Break down of Assets by Region



US Million

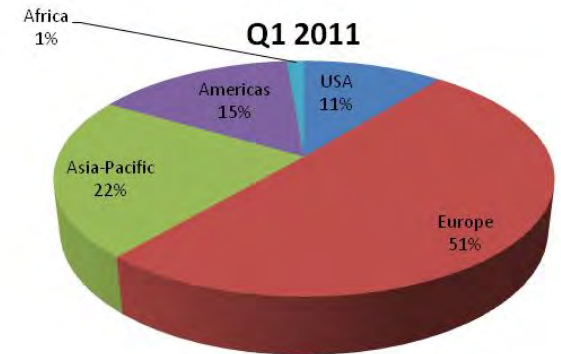
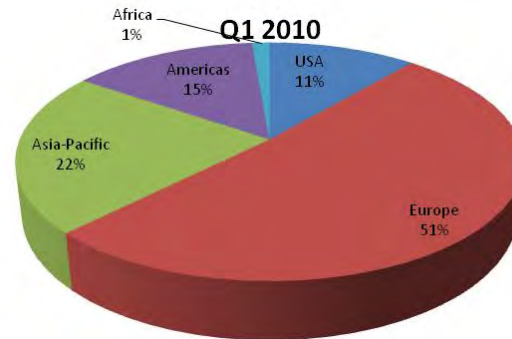
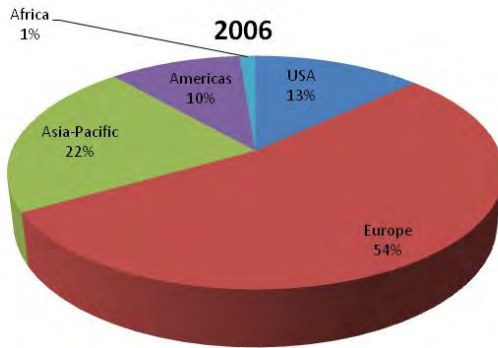
	2006	2007	2008	2009	Q1 2010	2010	Q1 2011
■ USA	10,396,508	12,000,645	9,602,605	11,120,199	11,203,919	11,820,677	12,179,692
■ Europe	7,803,906	8,934,864	6,231,116	7,545,531	7,511,015	7,903,389	8,328,024
■ Asia-Pacific	2,456,511	3,678,330	2,037,536	2,715,233	2,757,171	3,067,323	3,078,863
■ Americas	1,072,554	1,421,626	978,340	1,465,622	1,538,689	1,766,193	1,885,642
■ Africa	78,026	95,221	69,417	106,261	112,226	141,615	141,943

Nos. of Funds - Regional Comparison

Region	Q1 2010	Q1 2011	Growth 2006- Q1 2010	Growth 2006- Q1 2011
Europe	34,739	35,508	5%	7%
Asia-Pacific	14,962	15,527	11%	15%
Americas (ex USA)	9,565	10,770	50%	69%
USA	7,628	7,619	-6%	-6%
Africa	913	934	22%	25%
Total	67,807	70,358	10%	14%

Source: International Investment Fund Association

Nos. of Funds - Regional Comparison



No of funds by region

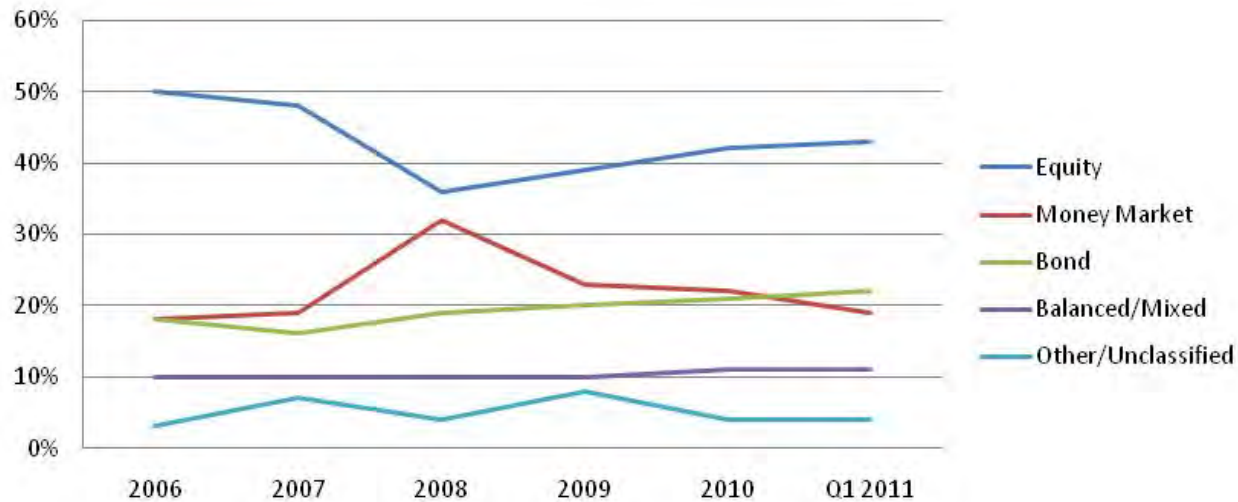
	2006	2007	2008	2009	Q1 2010	2010	Q1 2011
World	61,854	66,348	68,574	67,552	67,807	69,519	70,358
USA	8,117	8,027	8,022	7,685	7,628	7,581	7,619
Europe	33,151	35,210	36,322	34,899	34,739	35,292	35,508
Asia-Pacific	13,479	14,847	14,909	14,795	14,962	15,265	15,527
Americas	6,357	7,433	8,527	9,269	9,565	10,438	10,770
Africa	750	831	884	904	913	943	934

Fund Size - Regional Comparison

Region	Fund in 2006 (US Million)	Fund in Q1 2010 (US Million)	Fund in Q1 2011 (US Million)
Europe	235	216	235
Asia-Pacific	182	184	198
Americas (ex USA)	169	161	175
USA	1281	1469	1599
Africa	104	123	152
Total	353	341	364

Source: International Investment Fund Association

Breakdown of the Assets of Global Funds by Type



	Equity	Money Market	Bond	Balanced/Mixed	Other/Unclassified
2006	50%	18%	18%	10%	3%
2007	48%	19%	16%	10%	7%
2008	36%	32%	19%	10%	4%
2009	39%	23%	20%	10%	8%
2010	42%	22%	21%	11%	4%
Q1 2011	43%	19%	22%	11%	4%

Breakdown of Fund Types by Assets and Nos. of Funds

	Equity		Money Market		Bond		Balanced		Unclassified		Total	
	Assets	Funds	Assets	Funds	Assets	Funds	Assets	Funds	Assets	Funds	Assets	Funds
2006	50%	42%	18%	6%	18%	22%	10%	20%	3%	10%	100%	100%
2007	48%	41%	19%	5%	16%	18%	10%	21%	7%	15%	100%	100%
2008	36%	41%	32%	5%	19%	18%	10%	21%	4%	15%	100%	100%
2009	39%	40%	23%	5%	20%	19%	10%	22%	8%	17%	100%	103%
2010	42%	42%	22%	5%	21%	19%	11%	24%	4%	10%	100%	100%
Q1 2011	43%	41%	19%	5%	22%	19%	11%	24%	4%	10%	100%	100%

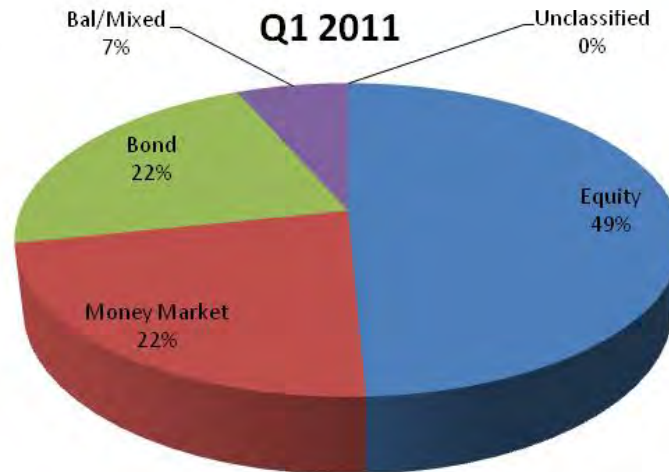
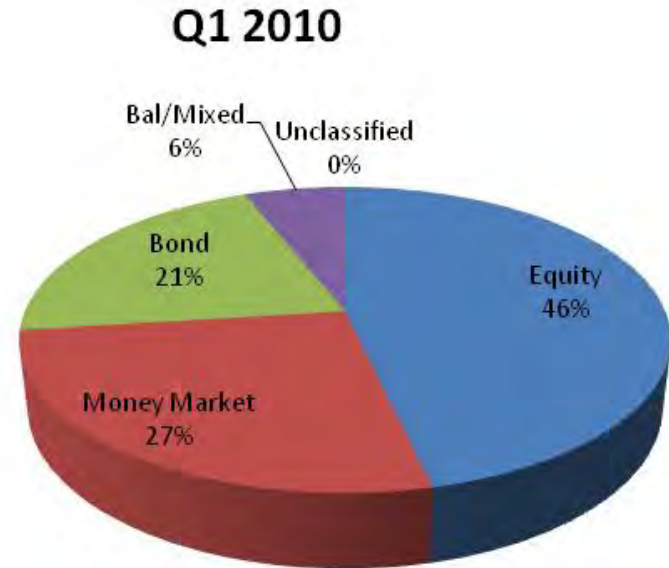
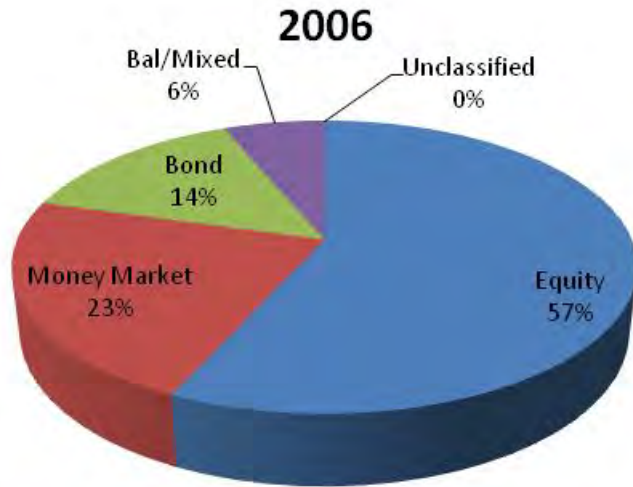
Source: International Investment Fund Association

Assets by Fund Types

	USA	Europe	Asia-Pacific	Americas	Africa	Total
■ Equity	49%	36%	54%	21%	23%	43%
■ Money Market	22%	19%	14%	8%	30%	19%
■ Bond	22%	24%	10%	36%	2%	22%
■ Bal/Mixed	6%	16%	5%	30%	26%	11%
■ Unclassified	0%	5%	18%	5%	19%	4%

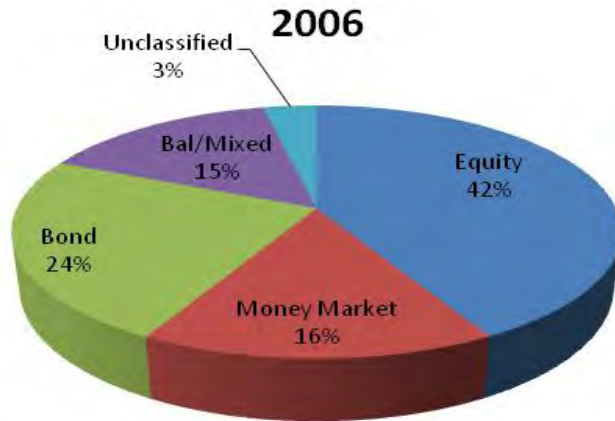
Source: International Investment Fund Association

Assets by Fund Type - USA

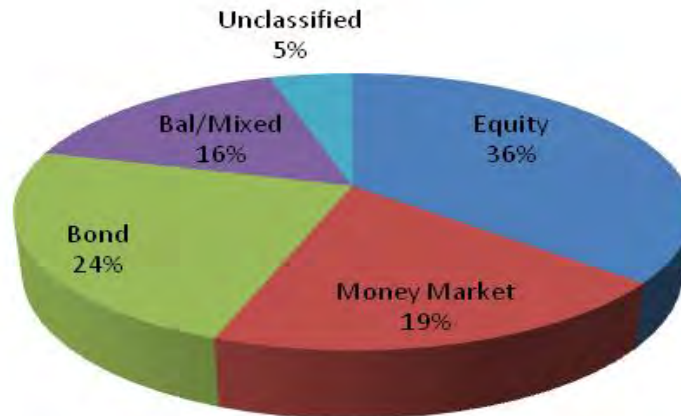


Source: International Investment Fund Association

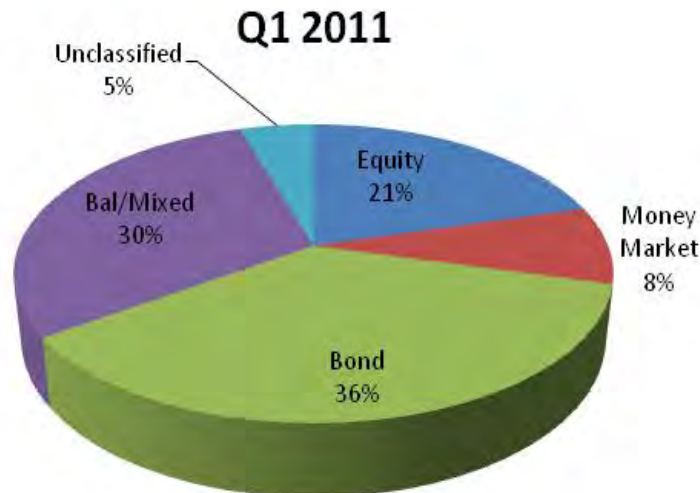
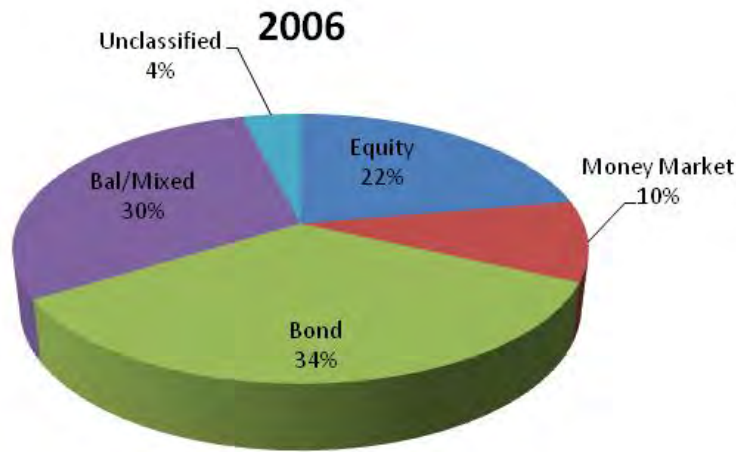
Assets by Fund Type - Europe



Q1 2011

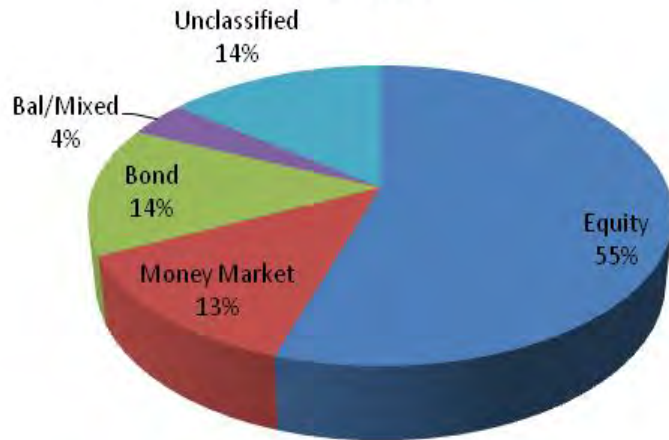


Assets by Fund Type - Americas

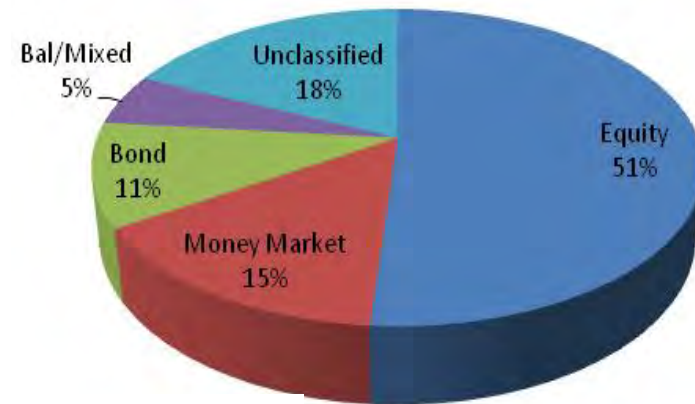


Assets by Fund Type – Asia-Pacific

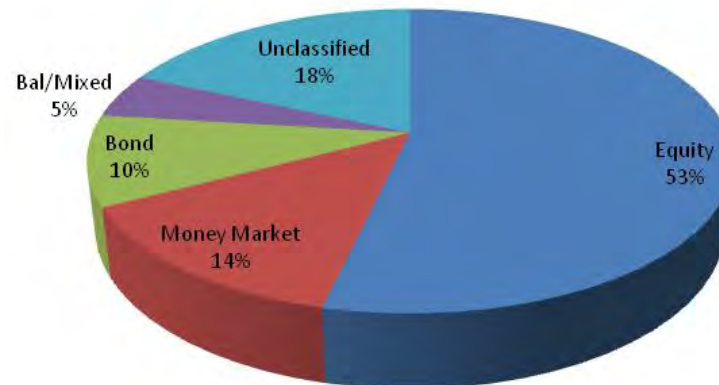
2006



Q1 2010



Q1 2011

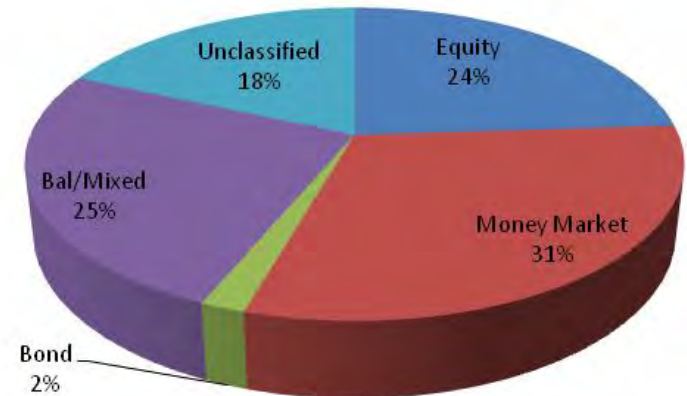


Assets by Fund Type - Africa

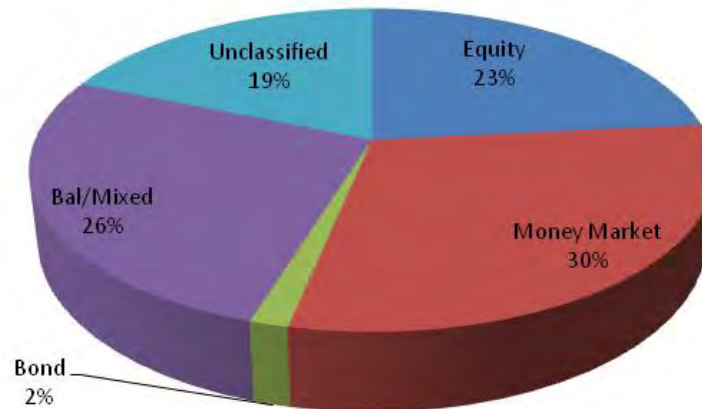
2006



Q1 2010



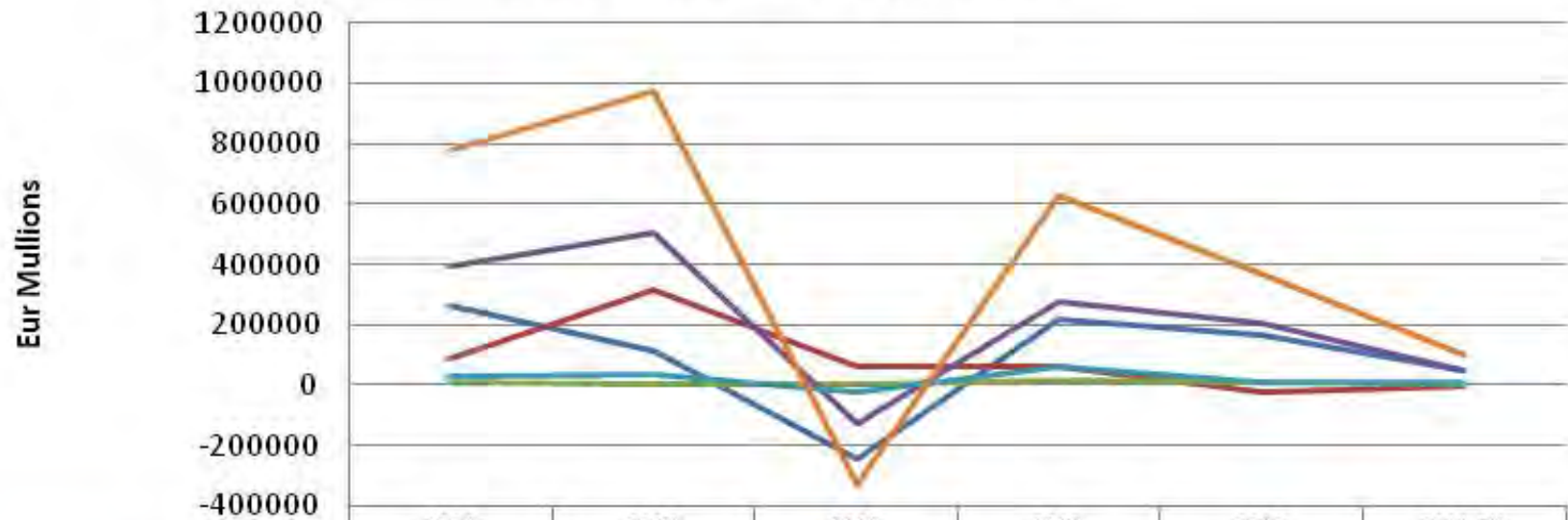
Q1 2011



Source: International Investment Fund Association

Mutual Funds – Net Sales

Net Sales Eur Millions

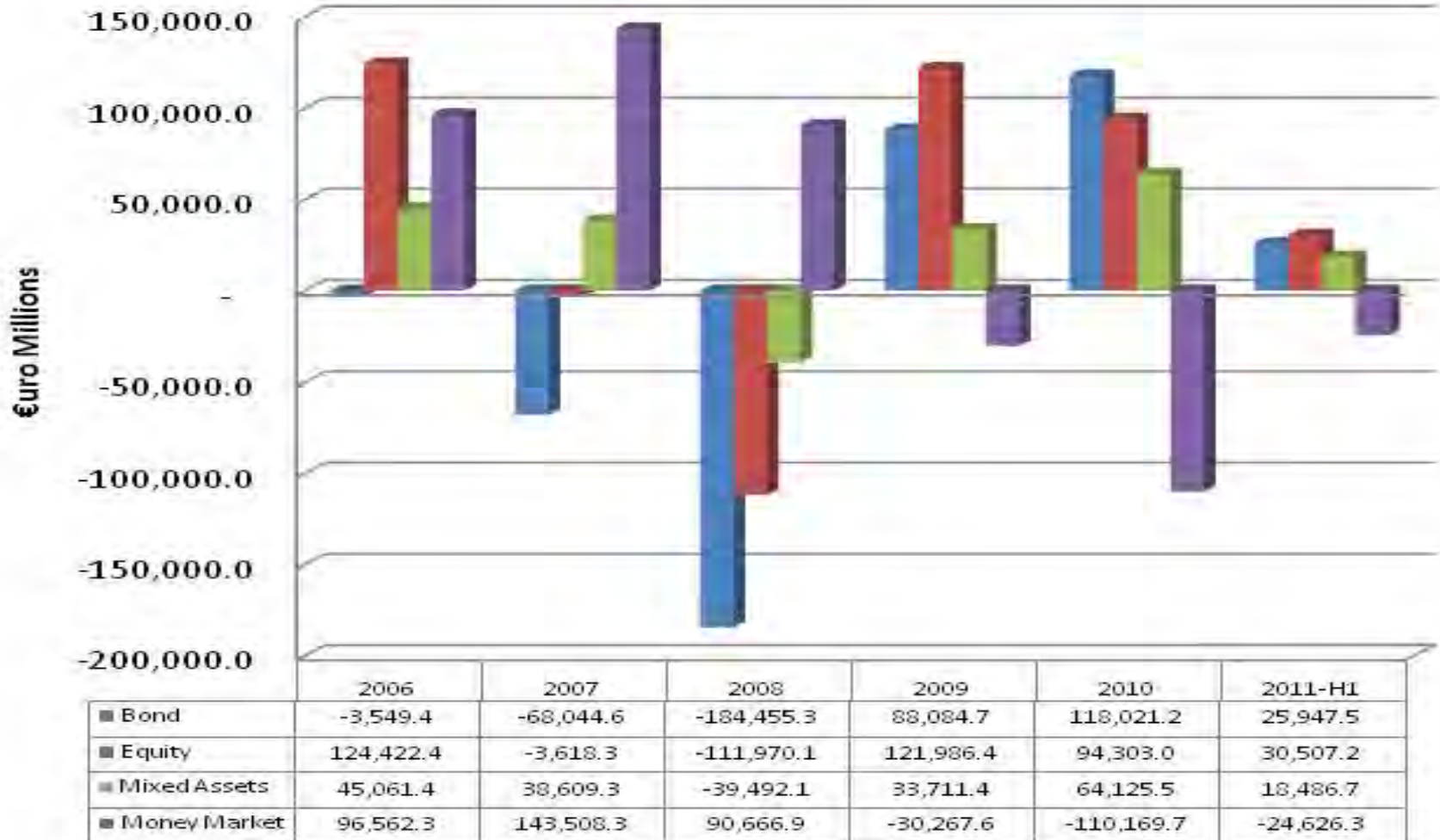


	2006	2007	2008	2009	2010	2011-H1
EUROPE	264503	112462	-243243	215524	168290	50315
ASIA PACIFIC	86708	315039	63169	60481	-25981	-5320
MIDDLE EAST & AFRICA	12691	5391	920	13951	10212	0
USA	391573	503601	-128237	275748	202316	46630
LATIN AMERICA	26045	36998	-22016	60873	10966	9574
Total	781519	973490	-329407	626577	365803	101199

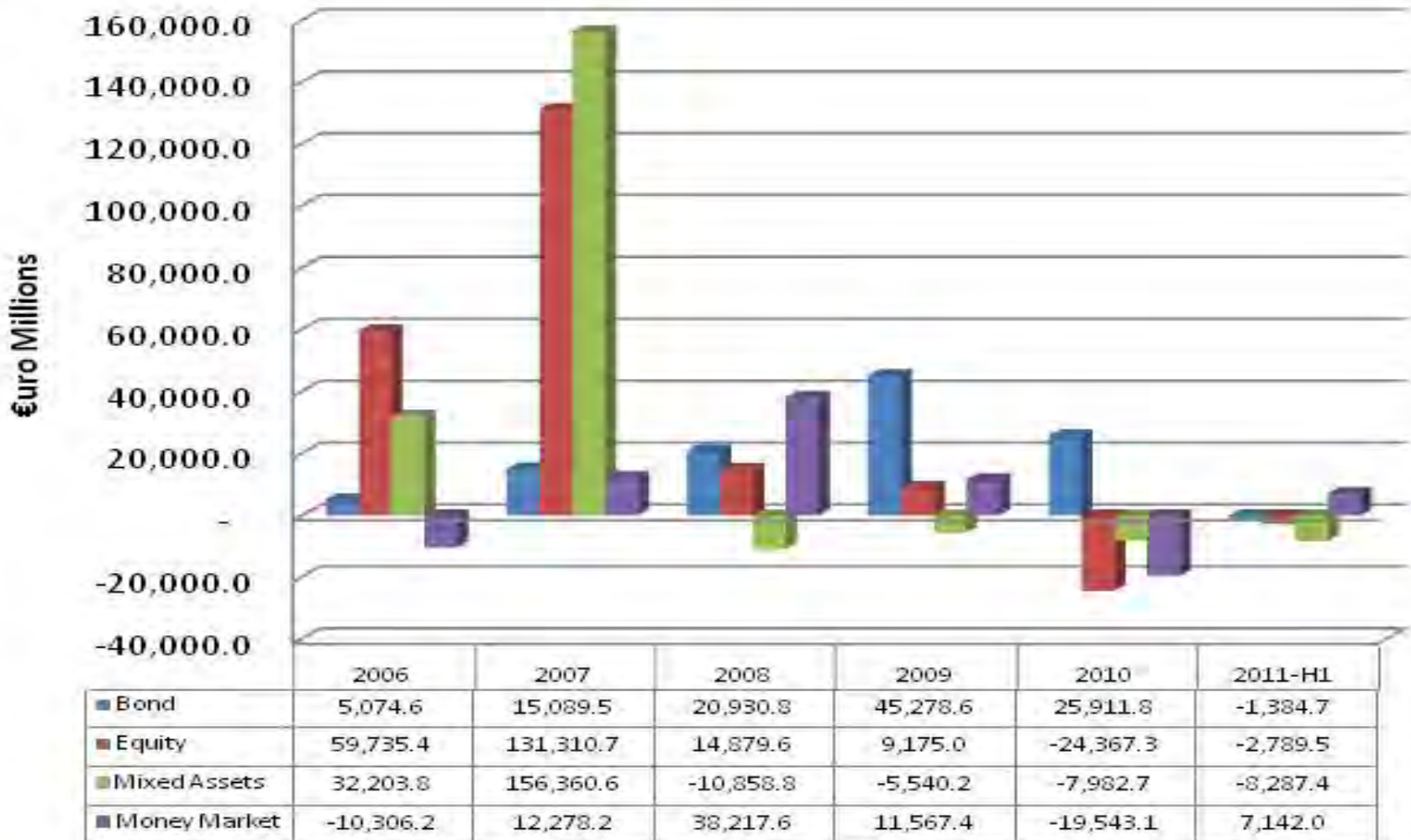
Products Most in Demand

- Guaranteed products
- Bond funds
- Cash /Money Market Funds
- ETFs
- Equities (Geographical Diverse/Emerging Market)

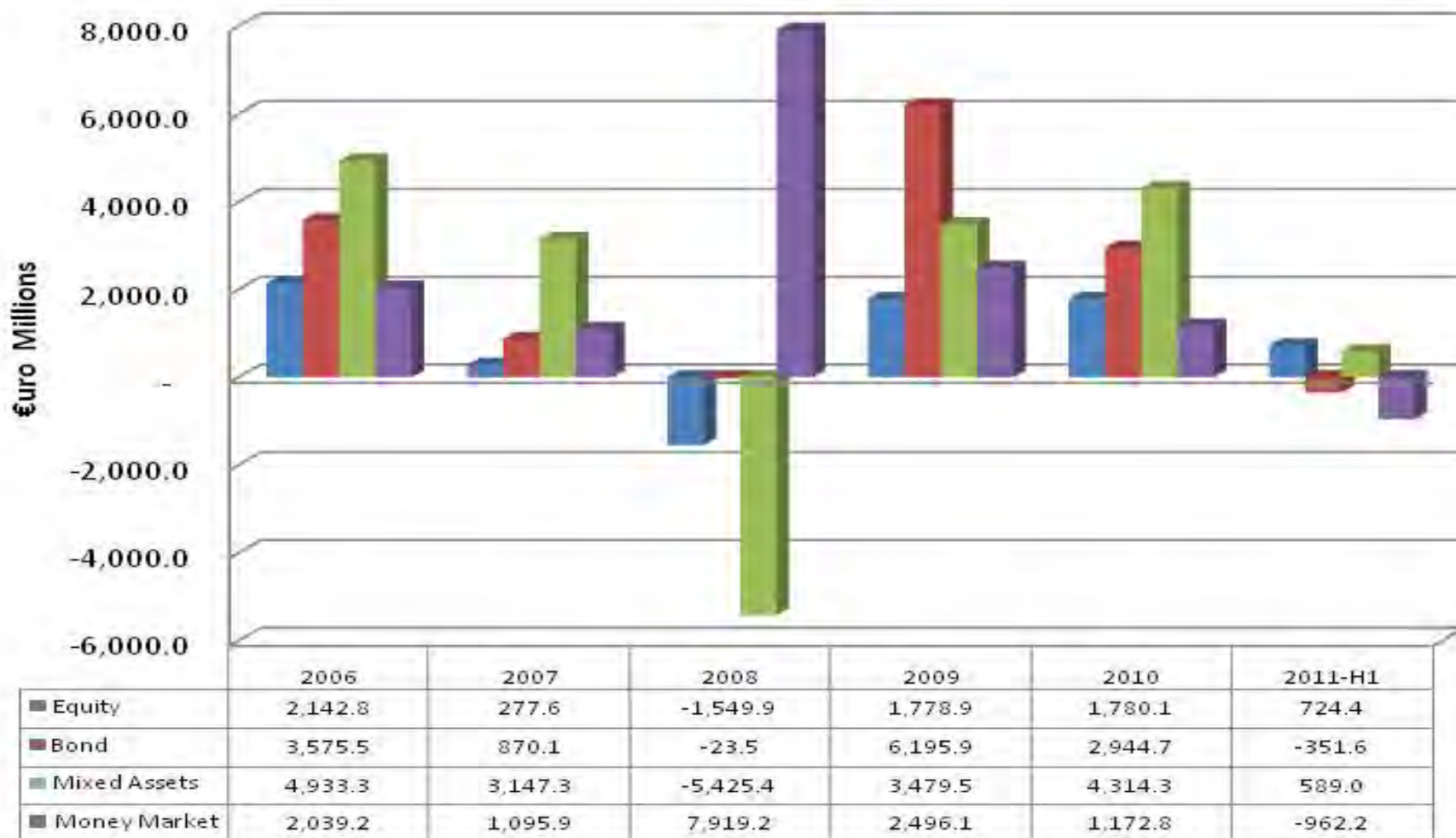
Europe – Mutual Funds Net Sales



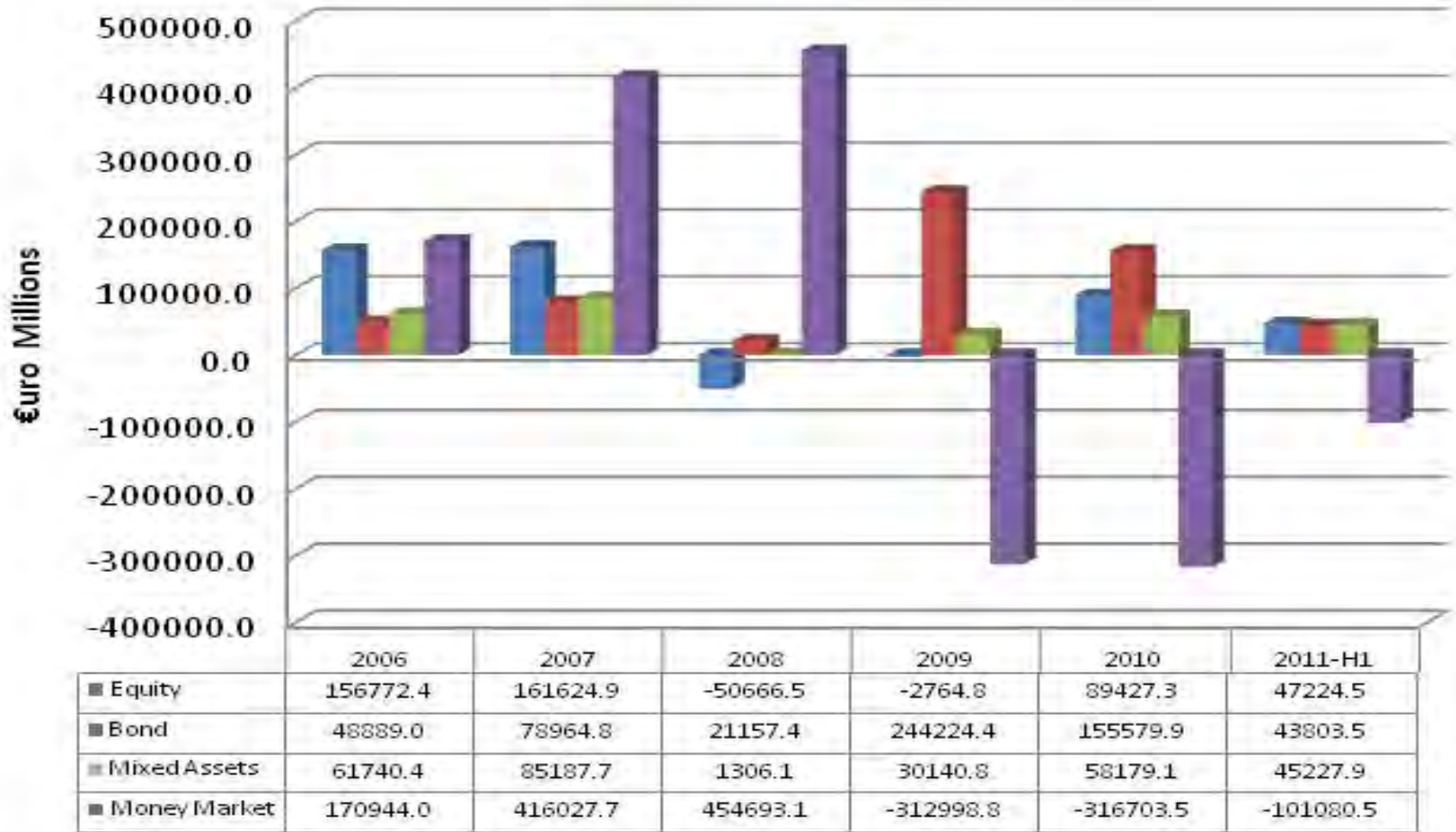
Asia-Pacific – Mutual Funds Net Sales



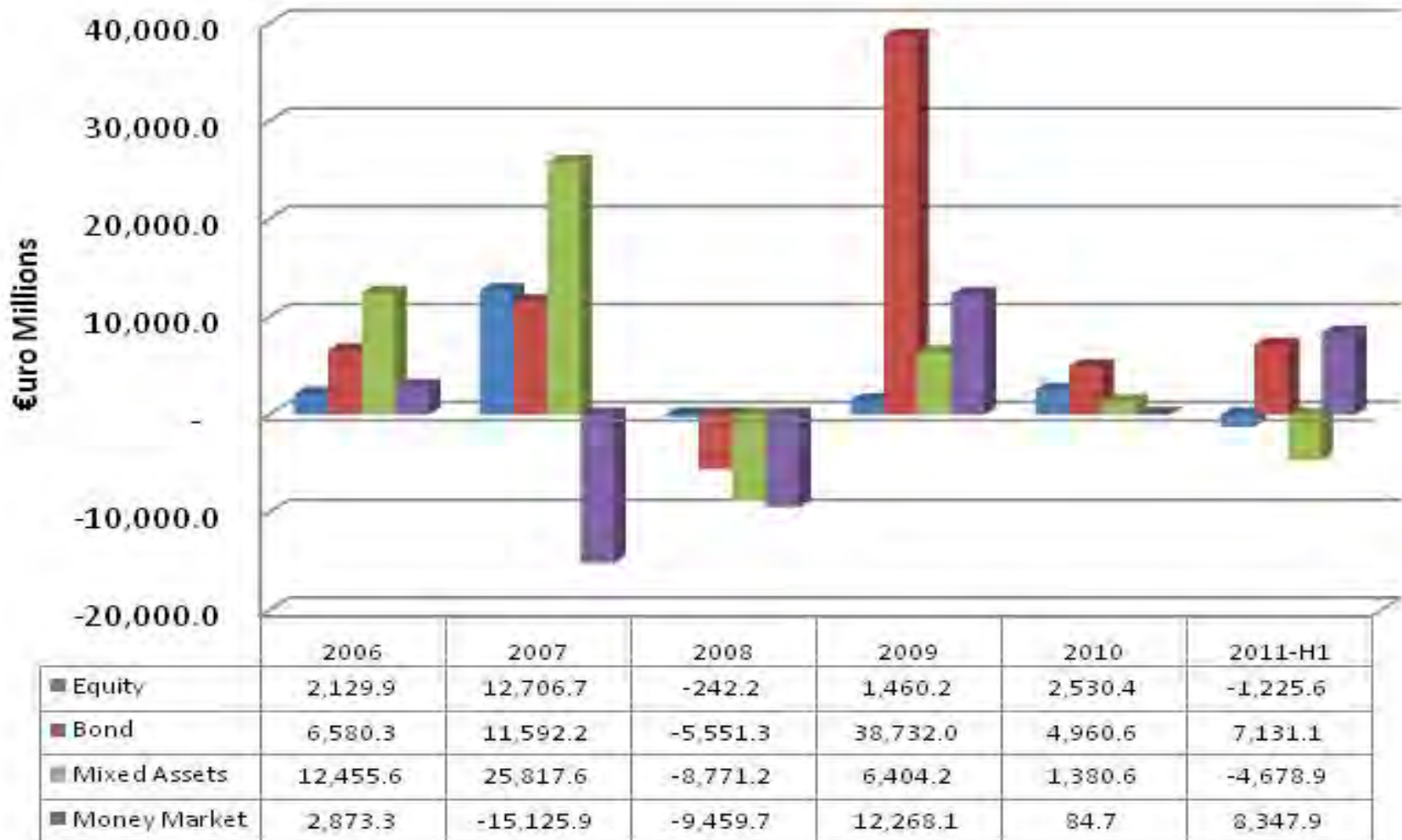
Middle East & Africa - Mutual Funds Net Sales



USA – Mutual Funds Net Sales



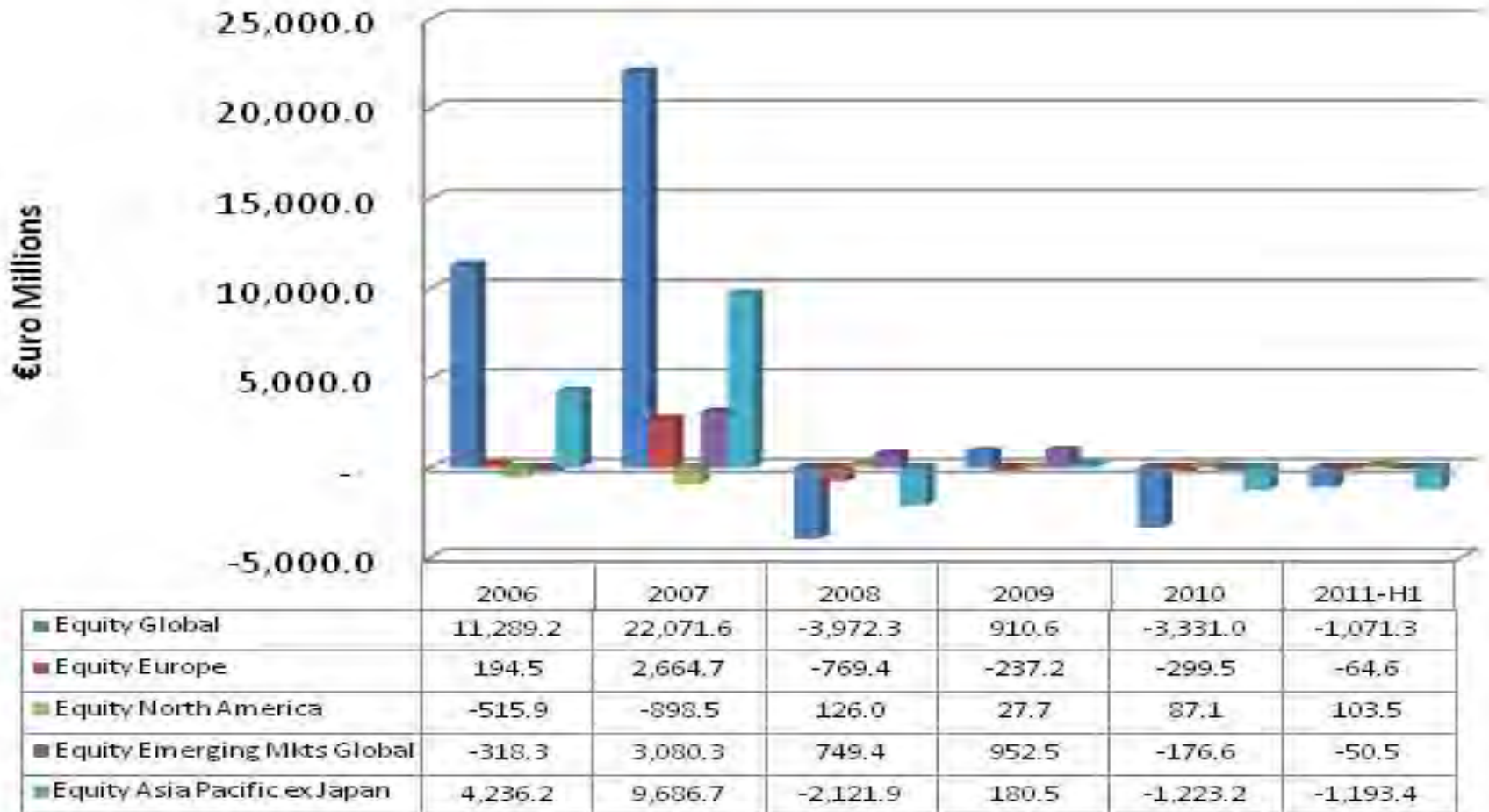
Latin America – Mutual Funds Net Sales



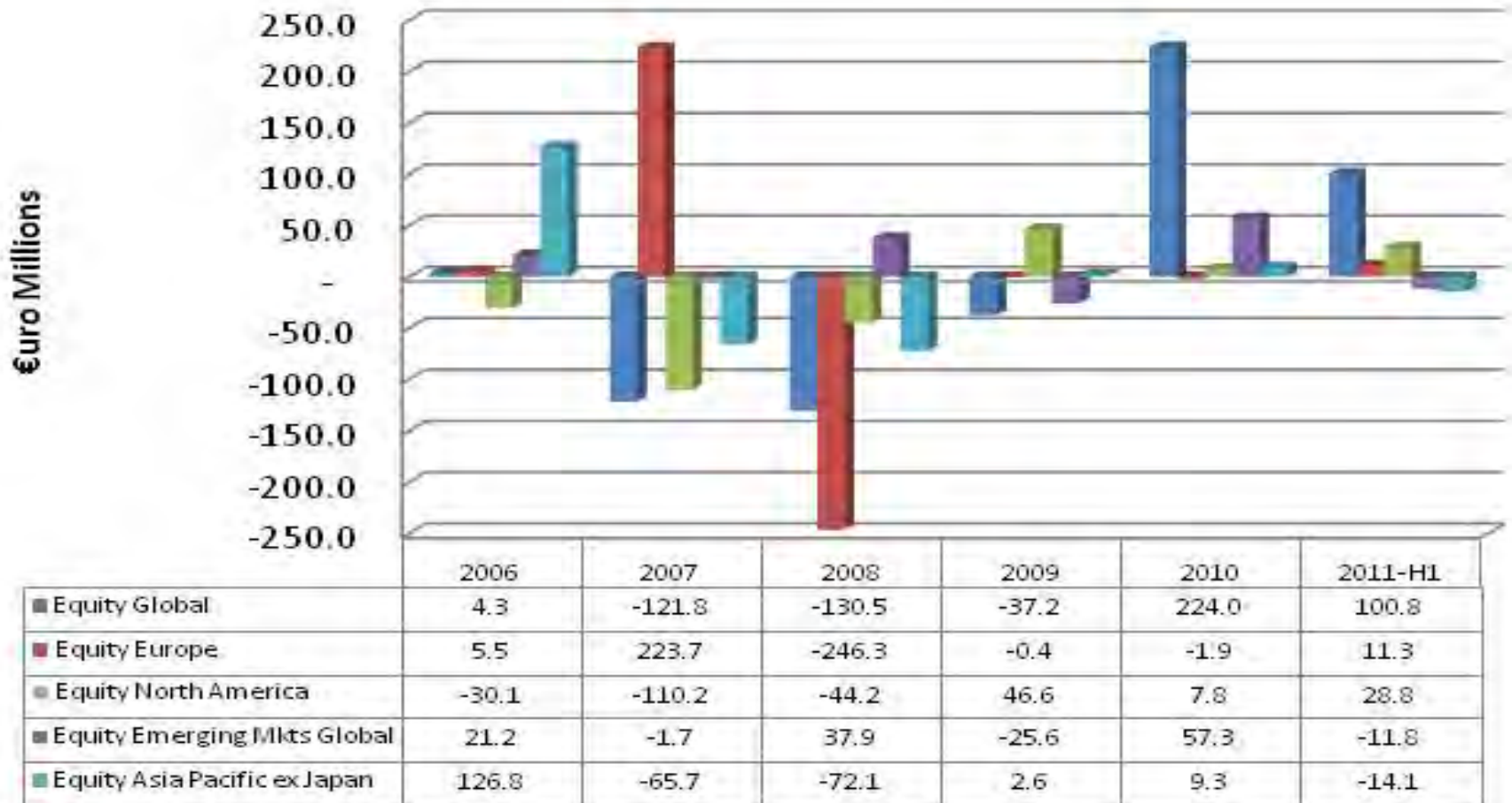
Europe – Mutual Funds Equity Net Sales



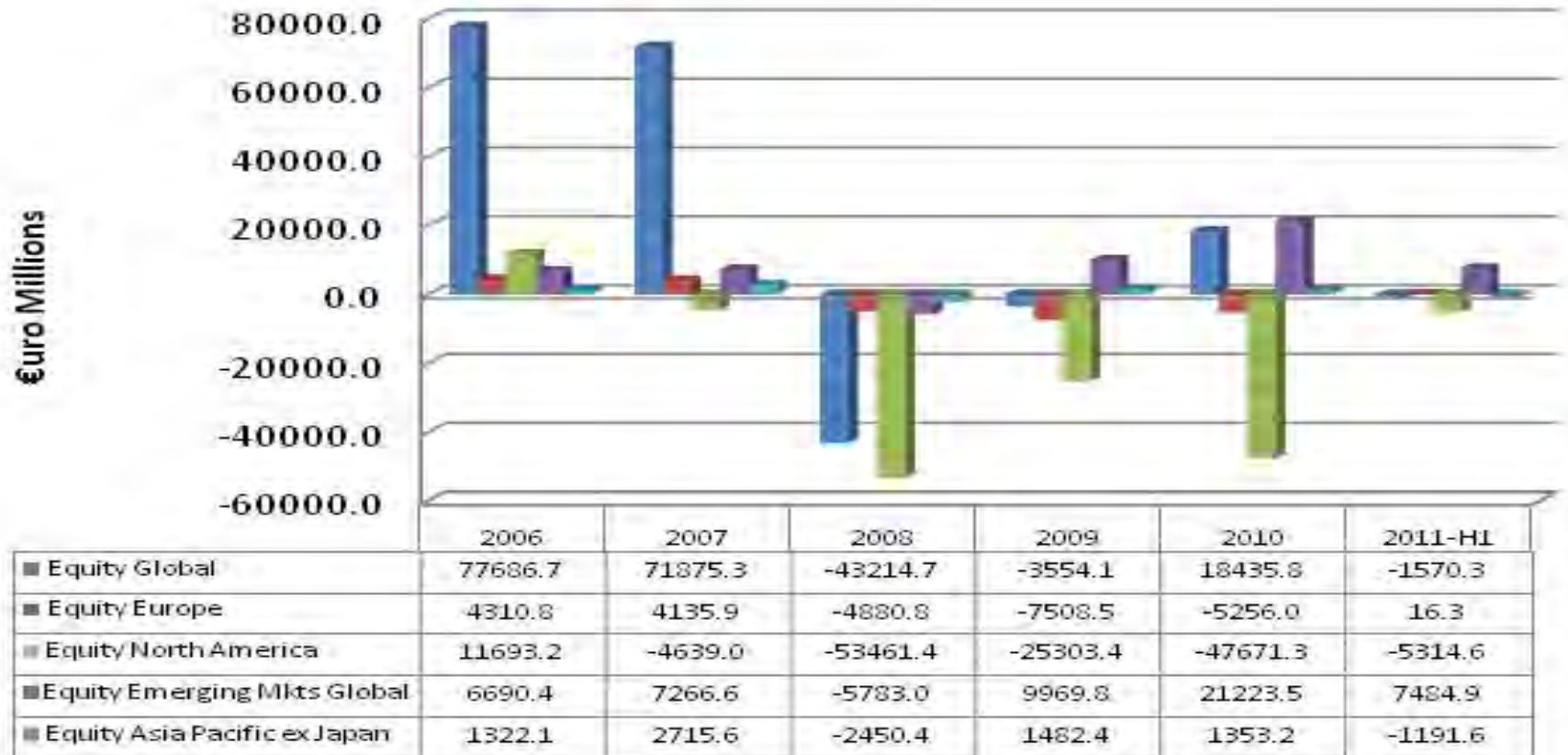
Asia-Pacific – Mutual Funds Equity Net Sales



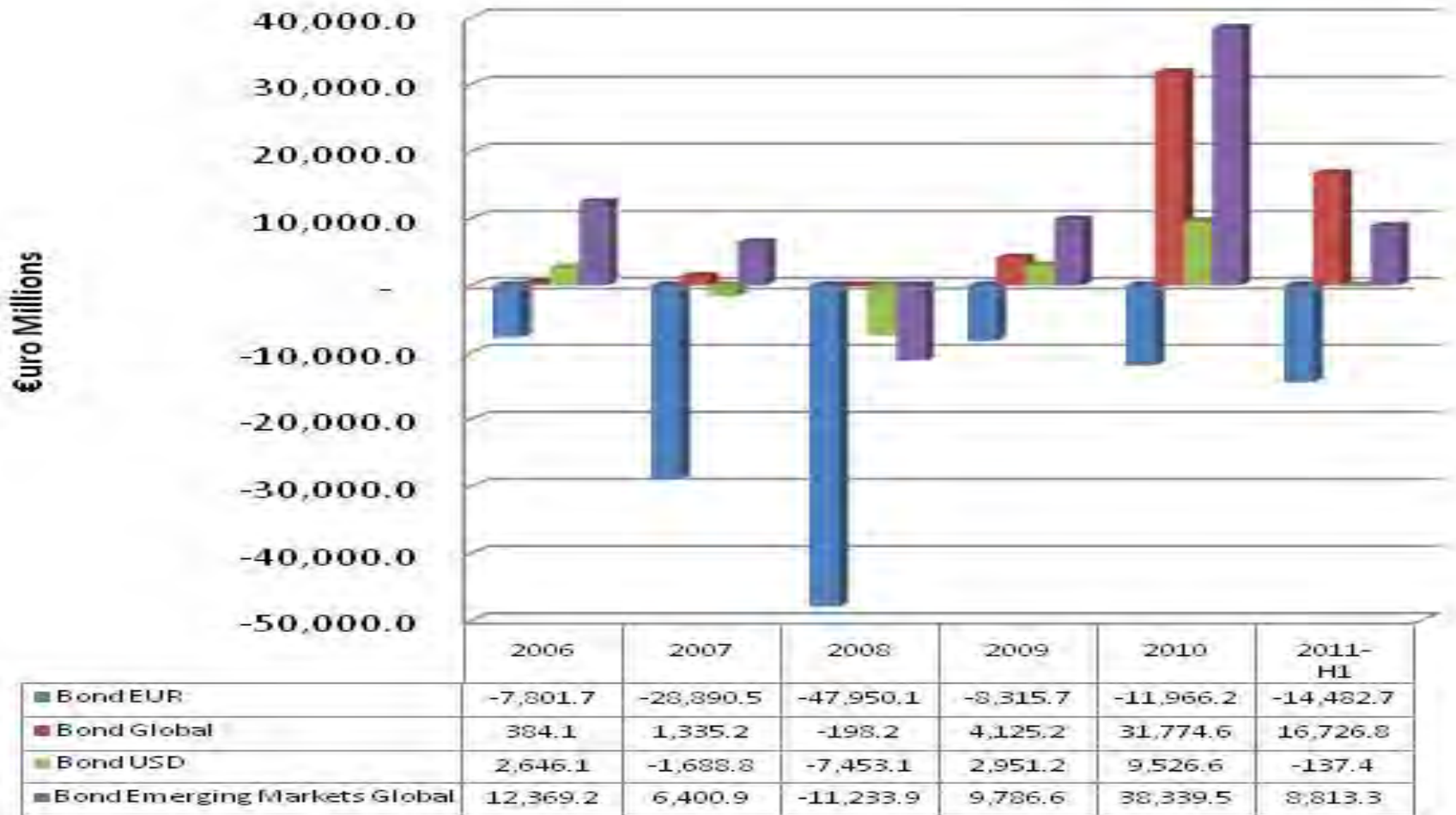
MEA – Mutual Funds Equity Net Sales



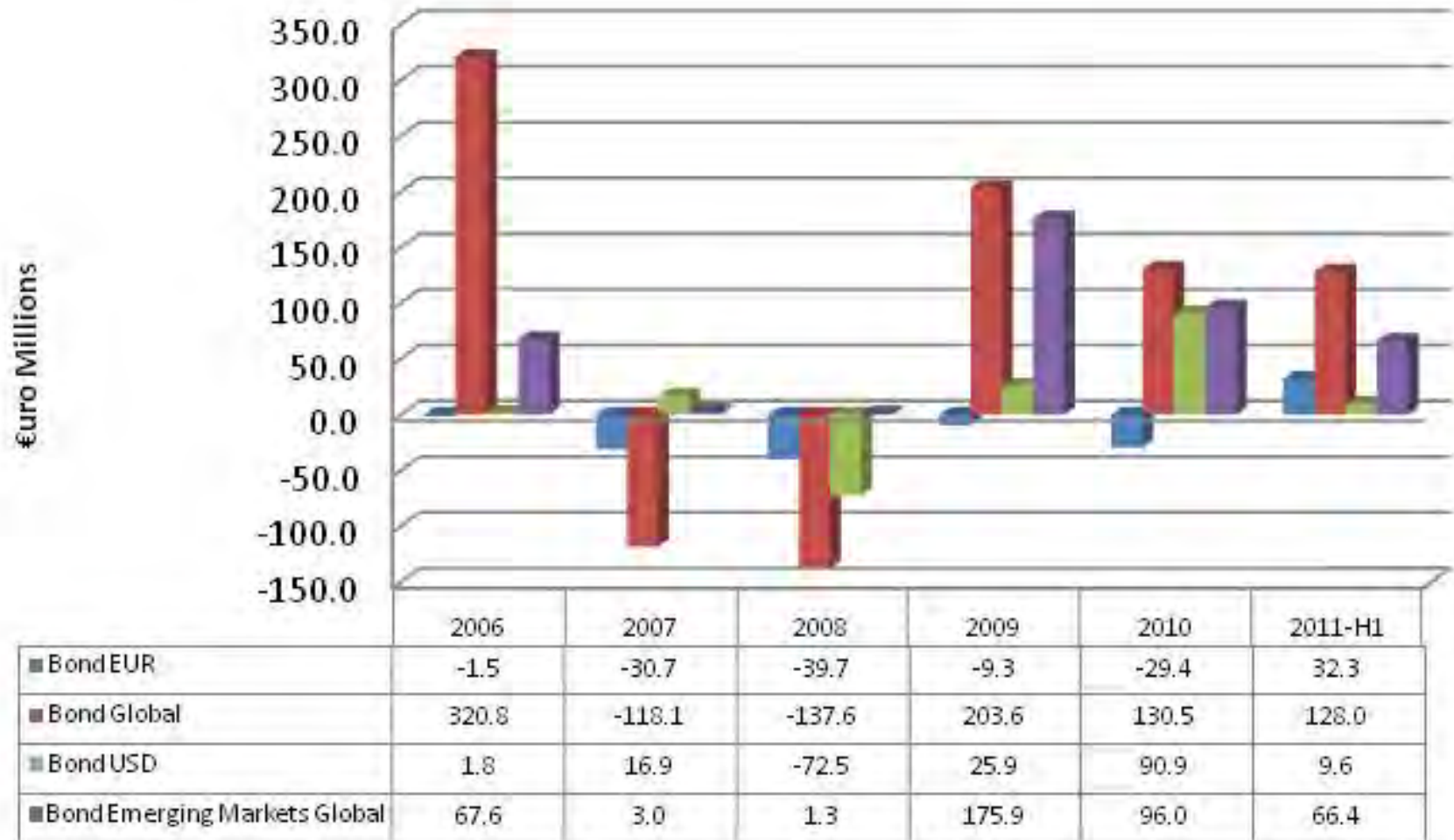
USA – Mutual Funds Equity Net Sales



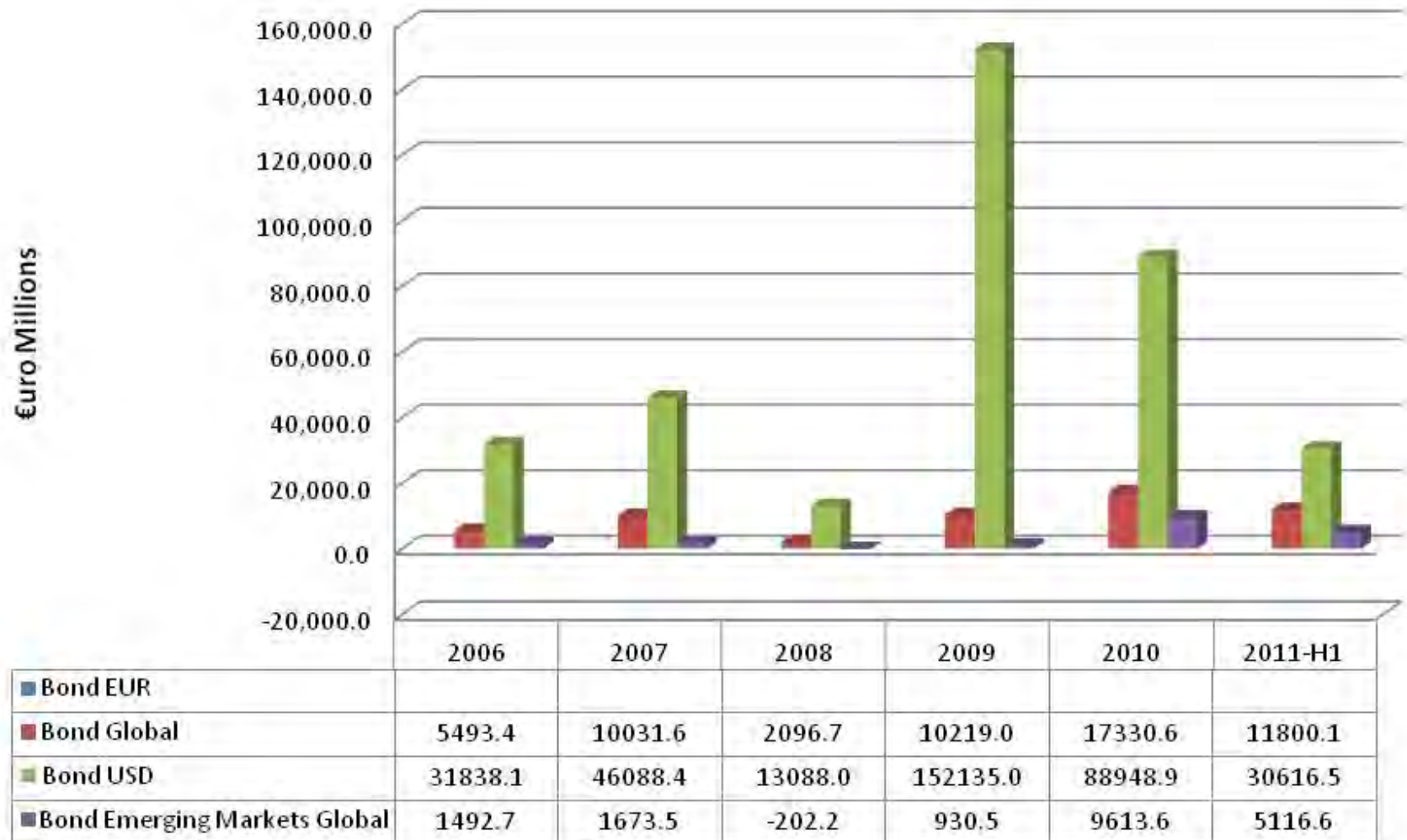
Europe – Mutual Funds Bond Net Sales



MEA – Mutual Funds Bond Net Sales



USA – Mutual Funds Bond Net Sales



ETFs

	Q2 2010	Q2 2011
Number	2379	2885
Assets bn	\$1,181	\$1443
Providers	129	146
Listings	5204	6229
Exchanges	45	49
Equities	80%	80%

No of ETFs by Region

	2006	2010	Q2 2011
USA	343	896	1039
Europe	273	1072	1185
Canada	26	152	195
Americas	2	21	25
Asia	62	259	350

Investment funds and Retail Investors

- Predominantly Yes
 - But declining Europe
 - No

How Retail Investors Access Investment funds

- Direct investment
- Unit Linked Funds
- Through Pension funds
 - Retirement Accounts
 - Through Intermediaries
 - Insurance Products

Main Distribution Channels

- Predominantly Banks
- Also mentioned;
 - Insurers
 - Financial advisors
 - Brokers
 - Fund Supermarkets/Platforms

Anticipated Developments;

- Regulatory Changes
- New Products
- Distribution Arrangements and Distributor Fees
- Tax

Growth

- From strong positive to..... it depends
- To come from; Pensions savings, International Expansion

Éidoidh an Bothar Linn

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