

MEDIA ALERT – MEDIA ALERT – MEDIA ALERT

EMBARGOED UNTIL 8TH NOVEMBER 2011 8AM

SALES PLUMMET IN SUMMER OF UNCERTAINTY

The problems in the Eurozone and the US made UK investors and advisers reluctant to commit too much to funds in the third quarter, although they continued to nibble away just in case they missed a recovery. Most asset managers saw their business decline, but some did well in key fund areas. M&G retained top position in the retail sales chart for a record-breaking 12th quarter as its bond funds returned to favour again. However, its net sales were 16% down according to figures from the Pridham report published by Fundscape.

BlackRock was in second position and here investors' fears were exemplified by the popularity of its Gold & General fund, though its European Dynamic fund continued to prove surprisingly attractive to investors. More adventurous investors also helped First State rise up the net retail sales league as asset allocators decided the Far Eastern markets were offering value. Its star attraction is the First State Asia Pacific Leaders, which matched investors' mood for caution as the group is known as a defensive manager.

Top ten managers by gross retail sales in Q3 2011 (£m)		
1	M&G	2,726.8
2	BlackRock	2,096.1
3	Invesco Perpetual	1,792.0
4	BNY Mellon	1,004.1
5	Jupiter	1,003.3
6	Fidelity	961.7
7	Legal & General	877.0
8	Standard Life Inv	833.0
9	Schroders	820.9
10	First State	814.1

Top ten managers by net retail sales in Q3 2011 (£m)		
1	M&G	1,028.7
2	BlackRock	497.5
3	First State	335.1
4	BNY Mellon	286.1
5	Kames Capital	247.0
6	Santander AM	236.3
7	SWIP	215.9
8	Investec	186.0
9	HSBC Global AM	128.6
10	Standard Life Inv	116.0

Source: Fundscape Pridham Report

BNY Mellon gained from investors in both lower and higher risk camps. Sales of Newton Real Return surged during the quarter, proving that there is still considerable appetite for

absolute return strategies. However, on the equity side, Newton Asian Income was its best seller receiving support from both income investors seeking to diversify their portfolios, and growth investors looking for a lower-risk approach.

As so often, one company completely bucked the trend. Kames Capital, previously Aegon Asset Management, recorded its highest ever gross retail sales, putting it in fifth position in the net retail sales table. Its Inflation Linked Fund really struck a chord with investors as worries about rising prices grew during the quarter. The fund, which invests in a combination of inflation-linked bonds and multi-assets correlated with inflation, sits in the cautious managed sector.

The final quarter of the year is unlikely to bring much respite for fund managers. Helen Pridham, Director of Fundscape, said “Although large scale redemptions are unlikely, until there are stronger signs that markets are recovering and confidence has returned, investors and advisers are going to continue to tread with caution and commit only modest amounts to funds.”

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Notes to Editors:

The Pridham Report is published by Fundscape LLP. For further information about Fundscape visit www.fundscape.co.uk.

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