



F&C Asset Management plc

Assets Under Management and Fund Flows

29 January 2010

Assets Under Management and Fund Flows as at 31 December 2009

- **Assets Under Management of £97.8 billion at 31 December 2009**
- **Institutional gross sales of £533 million in Q4 2009 and an unfunded mandate pipeline of £1.37 billion**
- **OEIC and SICAV fund gross sales of £262 million during Q4 2009, up 39 per cent on Q3 2009**

The tables below disclose Assets Under Management (AUM) at 31 December 2009 and Fund flows for the fourth quarter of 2009 and the twelve months to 31 December 2009.

Assets Under Management by Client Category

Sterling	31 Dec 2009 £bn	30 Sep 2009 £bn	31 Dec 2008 £bn
Insurance Funds	57.2	58.7	57.0
Institutional Funds	27.7	27.5	28.6
Sub-Advisory	4.0	4.2	4.8
Investment Trusts	5.1	5.0	4.9
OEICs (UK Onshore Mutual Funds)	2.5	2.5	2.2
SICAVs (Mutual Funds)	1.3	1.3	1.1
Total	97.8	99.2	98.6

Euros	31 Dec 2009 €bn	30 Sep 2009 €bn	31 Dec 2008 €bn
Insurance Funds	64.5	64.2	59.0
Institutional Funds	31.2	30.1	29.5
Sub-Advisory	4.5	4.6	5.0
Investment Trusts	5.7	5.5	5.1
OEIC (UK Onshore Mutual Funds)	2.8	2.7	2.3
SICAV (Mutual Funds)	1.5	1.4	1.1
Total	110.2	108.5	102.0

Assets Under Management by Asset Class

Sterling	31 Dec 2009 £bn	30 Sep 2009 £bn	31 Dec 2008 £bn
Fixed Interest	58.3	59.7	60.6
Equities	24.8	24.5	24.3
Property	8.0	8.0	7.9
Other Alternative Investments	1.6	1.7	2.4
Money Market	5.1	5.3	3.4
Total	97.8	99.2	98.6

Euros	31 Dec 2009 €bn	30 Sep 2009 €bn	31 Dec 2008 €bn
Fixed Interest	65.7	65.3	62.6
Equities	27.9	26.8	25.2
Property	9.0	8.7	8.1
Other Alternative Investments	1.8	1.9	2.6
Money Market	5.8	5.8	3.5
Total	110.2	108.5	102.0

Assets under management declined by 1.4 per cent over Q4 2009 to £97.8 billion at 31 December 2009. This reduction arose from a combination of changes in the Sterling / Euro exchange rate and net business outflows which negated the impact of positive market movements.

A major proportion of the Group's assets under management, representing 57 per cent at the end of Q3 2009 and 55 per cent at the end of Q4 2009, are denominated in Euros. A 3 per cent weakening of the Euro against Sterling during the fourth quarter resulted in an approximate reduction in Sterling reported assets under management of £1.6 billion.

Fund Flows

During Q4 2009 the Group experienced a net outflow of £1.3 billion compared to a £4.1 billion net outflow during the same period in the previous year. Full-year net outflows were £6 billion (2008: £10.7 billion).

Insurance funds, which represented 38 per cent of total net fund outflows during 2009, slowed significantly in the latter part of the year with a net outflow of just £304 million in the fourth quarter. Full-year 2009 insurance net outflows were 49 per cent lower than the previous year.

The fourth quarter saw £533 million of new institutional mandates funded, a 17 per cent increase in institutional new business compared to the previous quarter. This included a number of Liability Driven Investment (LDI) as well Emerging Market Debt (EMD) mandates. Full-year institutional net outflows of £2.3 billion were 56 per cent lower than 2008 levels (excluding inflows arising from the acquisition of REIT Asset Management) due to both a sharp reduction in mandate losses and an increase in new wins.

We continued to make strong progress with investment consultants, with 43 ratings on individual products at end of Q4 2009. This is a record level for the business. As at 31 December 2009, there was a further pipeline of new institutional mandates won but awaiting funding totalling £1.37 billion of assets under management. A number of new product developments are planned for 2010.

We generated £262 million of new third-party mutual fund business (OEICs and SICAV funds) in Q4 2009, a 39 per cent increase on the previous quarter, bringing full-year gross sales to £710 million. Gross sales of OEICs saw a sharp increase in Q4 to £135 million (Q3: £78 million), partially as a result of the launch of new equity-linked bond funds. Net sales of third-party mutual funds were also positive in the fourth quarter for both OEICs and SICAV funds after three successive quarters of net outflows for OEICs.

On 10 December 2009, the Board of Foreign & Colonial Eurotrust PLC, an investment trust with assets under management of £285 million, announced the appointment of a new investment manager with effect from 1 February 2010. The outflow arising from this change of manager will take place during Q1 2010. F&C will receive compensation in respect of the 2 months unexpired period of notice under the management agreement.

Fund flows for the quarter to 31 December 2009

Client Category	Inflows £m	Outflows £m	Net £m
Insurance Funds	N/A	N/A	(304)
Institutional	533	(1,305)	(772)
Sub Advisory	82	(297)	(215)
Investment Trusts	7	(85)	(78)
OEICs (UK Onshore Mutual Funds)	135	(101)	34
SICAVs (Mutual Funds)	127	(96)	31
Total	N/A	N/A	(1,304)

Fund flows for the 12 months to 31 December 2009

Client Category	Inflows £m	Outflows £m	Net £m
Insurance Funds	N/A	N/A	(2,246)
Institutional	2,521	(4,822)	(2,301)
Sub Advisory	185	(1,465)	(1,280)
Investment Trusts	43	(267)	(224)
OEICs (UK Onshore Mutual Funds)	343	(400)	(57)
SICAVs (Mutual Funds)	367	(246)	121
Total	N/A	N/A	(5,987)

Potential Acquisition

On 10 December 2009, the Group disclosed that it was in exploratory discussions regarding a potential offer for C-Quadrat Investment AG, a company listed on the Vienna and Frankfurt stock exchanges.

The Group confirms that it remains in discussions with C-Quadrat and will make a further announcement in due course. There can be no certainty that any transaction will occur.

The Group will report its preliminary annual results for the year-ended 31 December 2009 on Wednesday 10 March 2010.

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