



Casey Quirk
Quarterly Global Asset & Flows Review

Fourth Quarter 2008



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ALLIANCE

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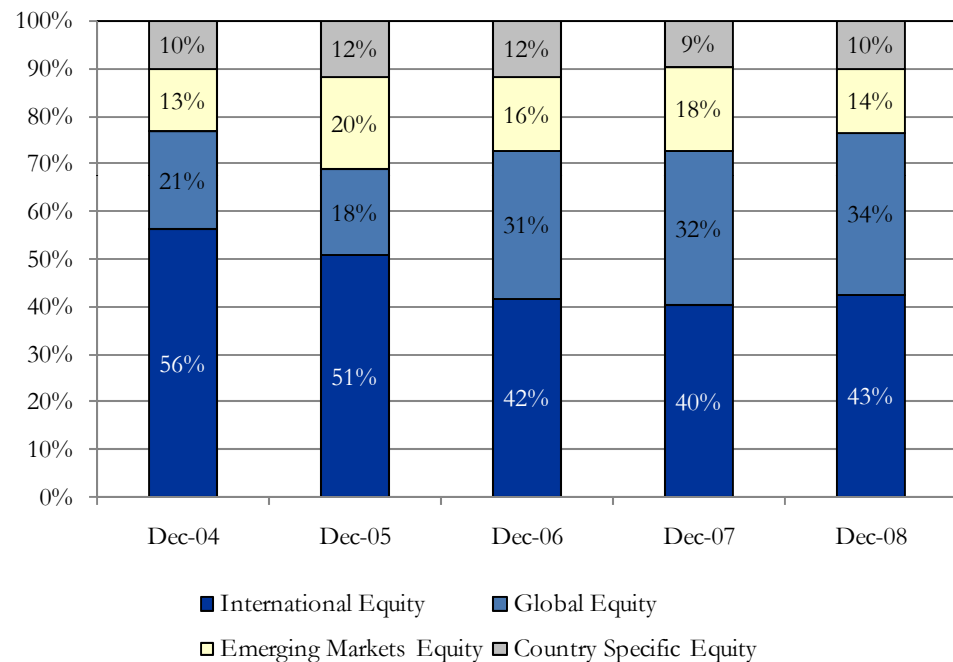
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About Casey Quirk	
Casey, Quirk & Associates (Casey Quirk) provides management consulting services exclusively to investment management firms. The firm specializes in developing business strategy, enhancing investment practices, and crafting distribution plans.	
The firm draws on 35 years of experience in delivering value to its clients and partners through a unique combination of deep industry knowledge and experience, solutions-oriented thought leadership, and a proven ability to create change within organizations.	
About eVestment Alliance	
eVestment Alliance (eA) is an innovative, web-based provider of comprehensive investment information and analytic technology. eA delivers extensive data through robust, user-friendly products with an unparalleled commitment to client service.	
eA's diverse clients include leading investment consultants, asset managers, plan sponsors and other financial organizations. eA was founded in 2000 and is headquartered in Atlanta, GA.	
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or call Jonathan Doolan at (203) 899-3031.

Spotlight: Global and International Equity Exposure

- ▶ Overall contraction in global equity markets still has failed to weaken the secular shift from international equity mandates focused on EAFE benchmarks to global equity assignments.
- ▶ Last year's flow patterns support this transition (see page 24) and consultants expect further moves toward global benchmarks in 2009, as outlined in our companion Consultant Survey.
- ▶ Emerging markets equity exposure shrank dramatically but largely from market action, not redemptions.
- ▶ Country-specific portfolios remain a small fraction of the overall exposure to non-US equity, mostly through Japan-only mandates.

Institutional Allocations to Non-US Equity by Product Type



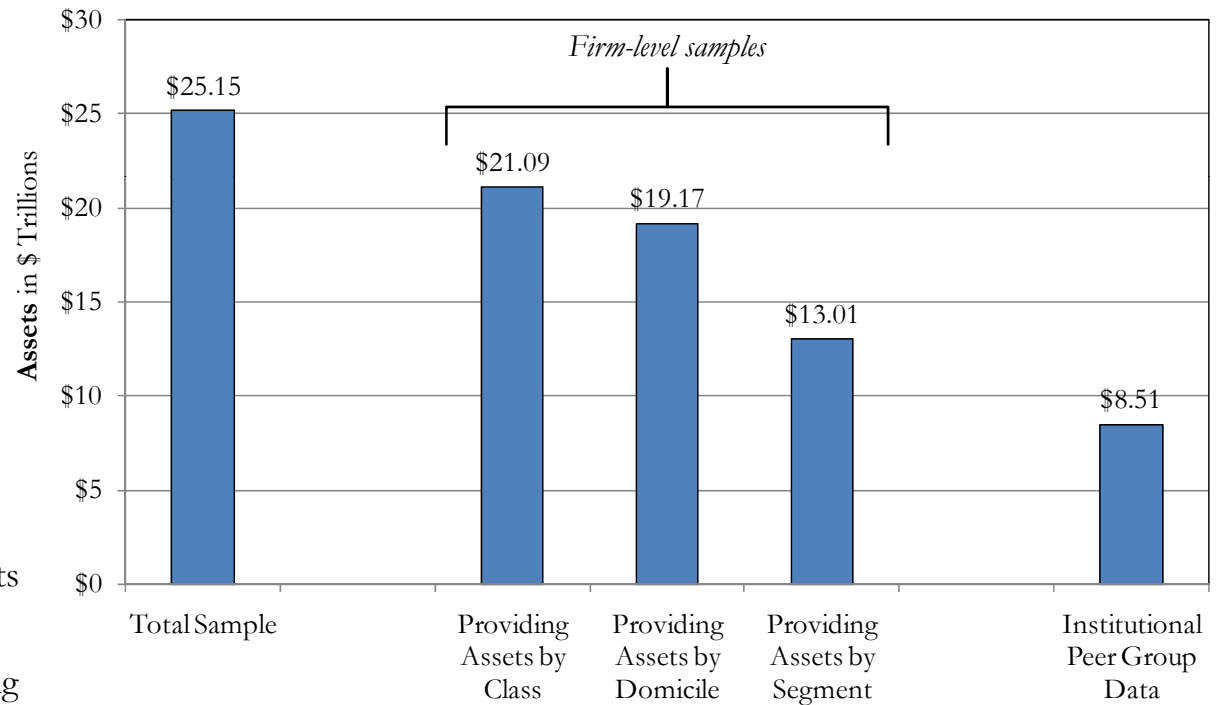
Institutional peer group sample consists of \$8.5 trillion of assets. See page 3.

Sample Demographics

- ▶ The *total sample* reflects all assets reported by all firms. The sample largely includes all firms with any US institutional client business; consequently, data favors US clients.
- ▶ The *firm-level samples* reflect all assets reported that include specific information regarding their asset class, client domicile or segment.
- ▶ The *institutional peer group sample* reflects the subset of data for which firms provide detailed information regarding performance and fees. Such accounts are exclusively institutional and mostly for US clients.

Sample Demographics

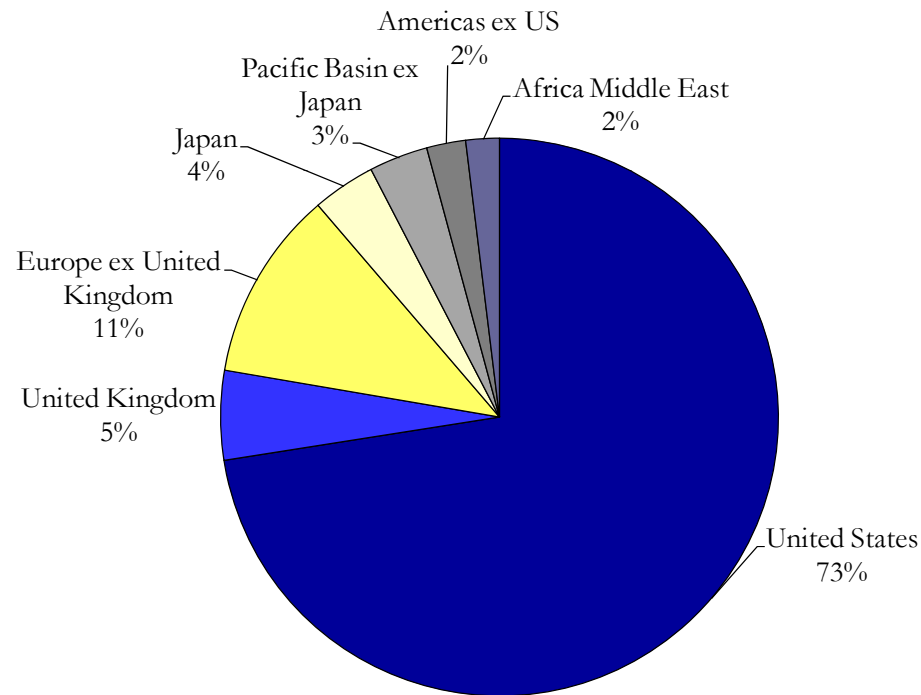
As of December 31, 2008



Sample AUM by Client Domicile

% Reported Worldwide AUM by Client Domicile

As of December 31, 2008

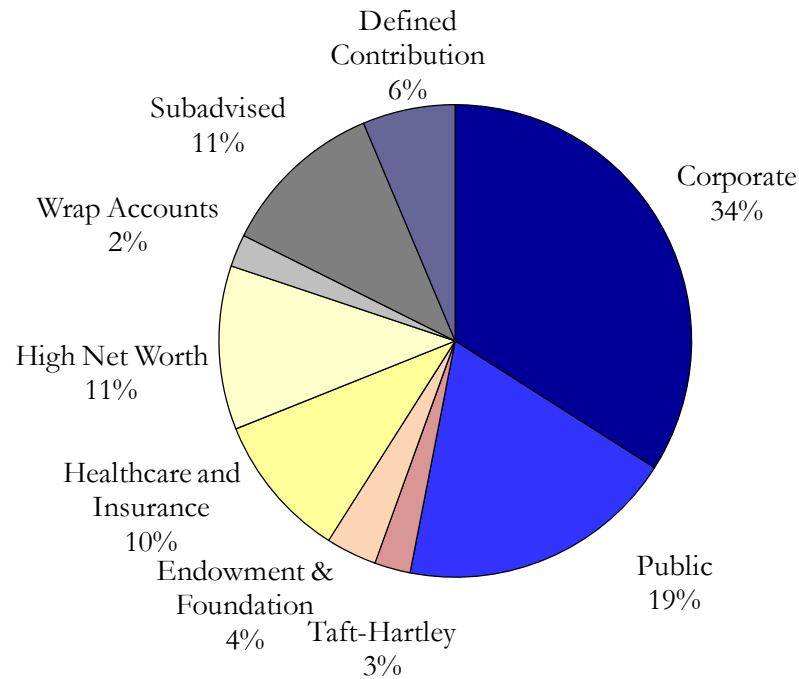


Sample consists of all assets reported to eA with client domicile specified, estimated at \$19.2 trillion as of December 2008. See page 3.

Sample AUM by Client Segment

% Reported Institutional AUM by Client Segment

As of December 31, 2008

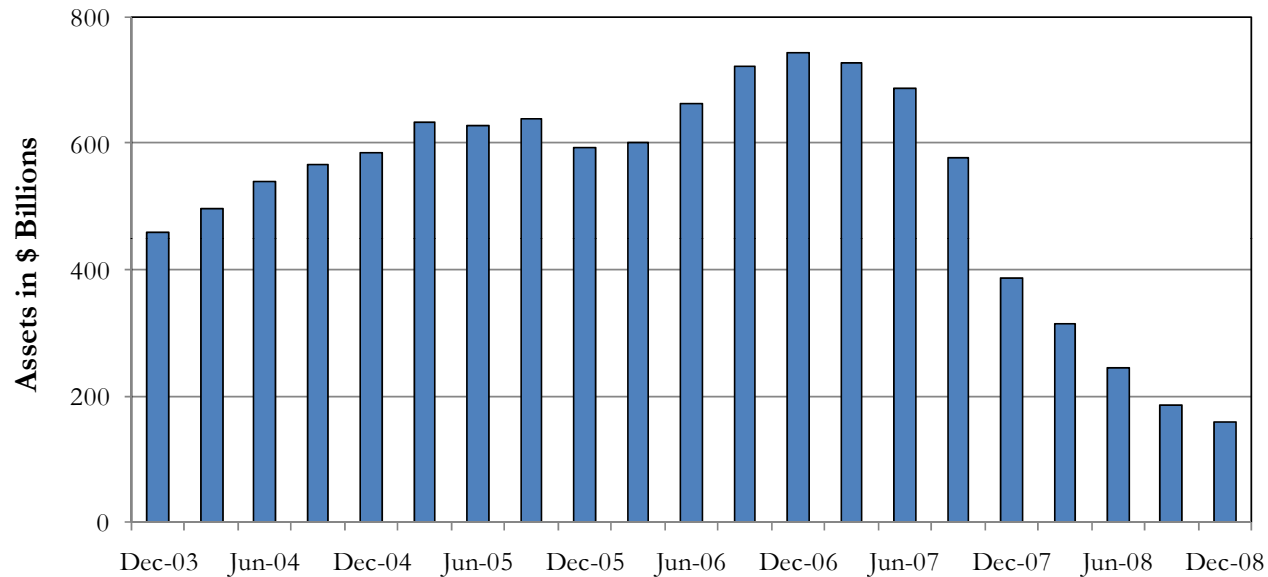


Sample consists of all assets reported to eA with client segment specified, estimated at \$13 trillion as of December 2008. See page 3.

Global Market Overview

Asset-Gathering in Context: 4Q 2008

Estimated Rolling 1-Year Net Flows to All Reported Firms



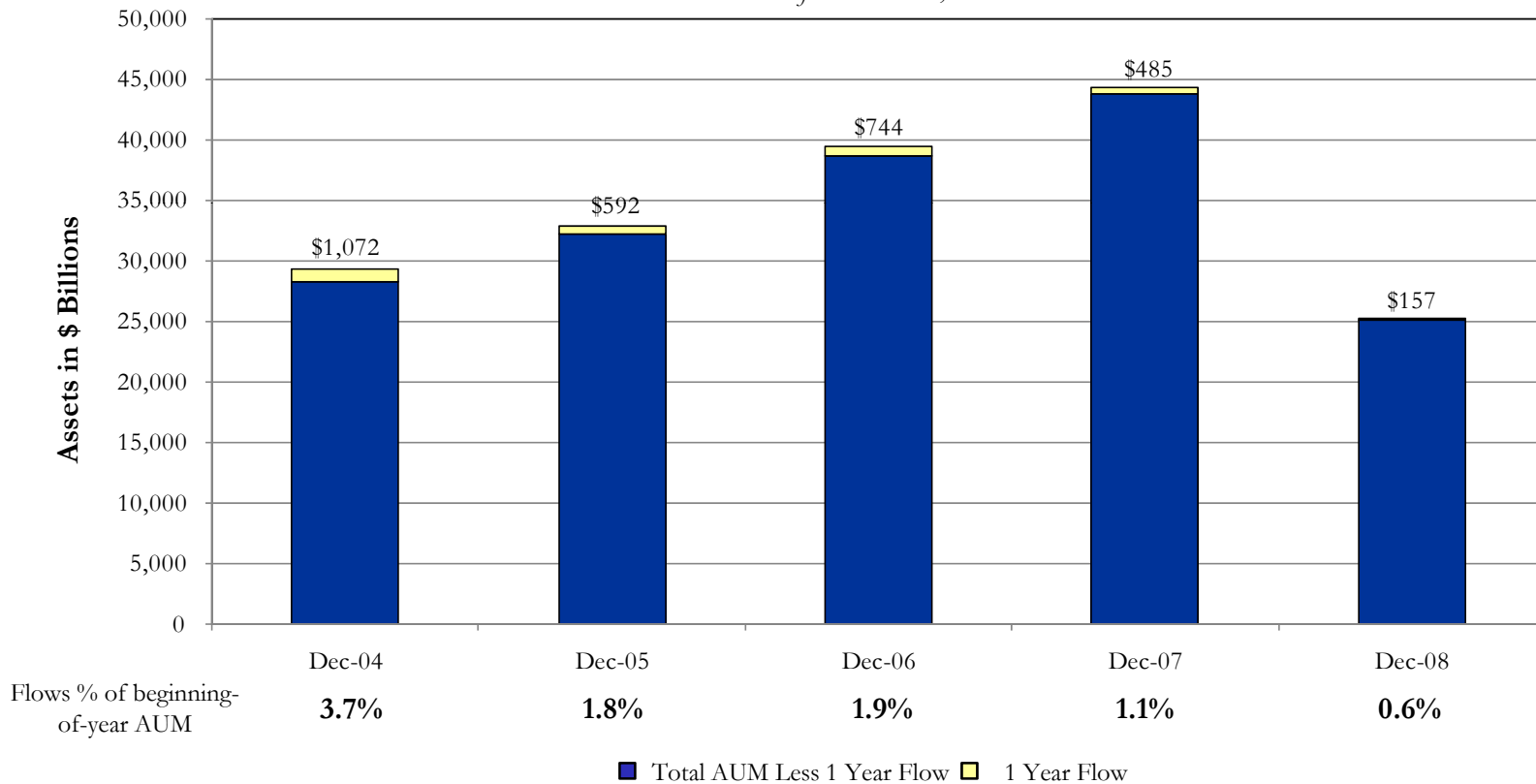
- ▶ Contracting global equity markets and a strong demand for liquidity continue to sap inflows from the global asset management industry. Annual rolling inflows to all fund management firms reporting to eVestment Alliance has halved during the last four quarters.

Sample consists of all assets reported to eA, estimated at \$25.2 trillion as of December 2008. See page 3.

Worldwide AUM and Net Flows

Reported Worldwide AUM and 1-Year Net Flows

As of December 31, 2008

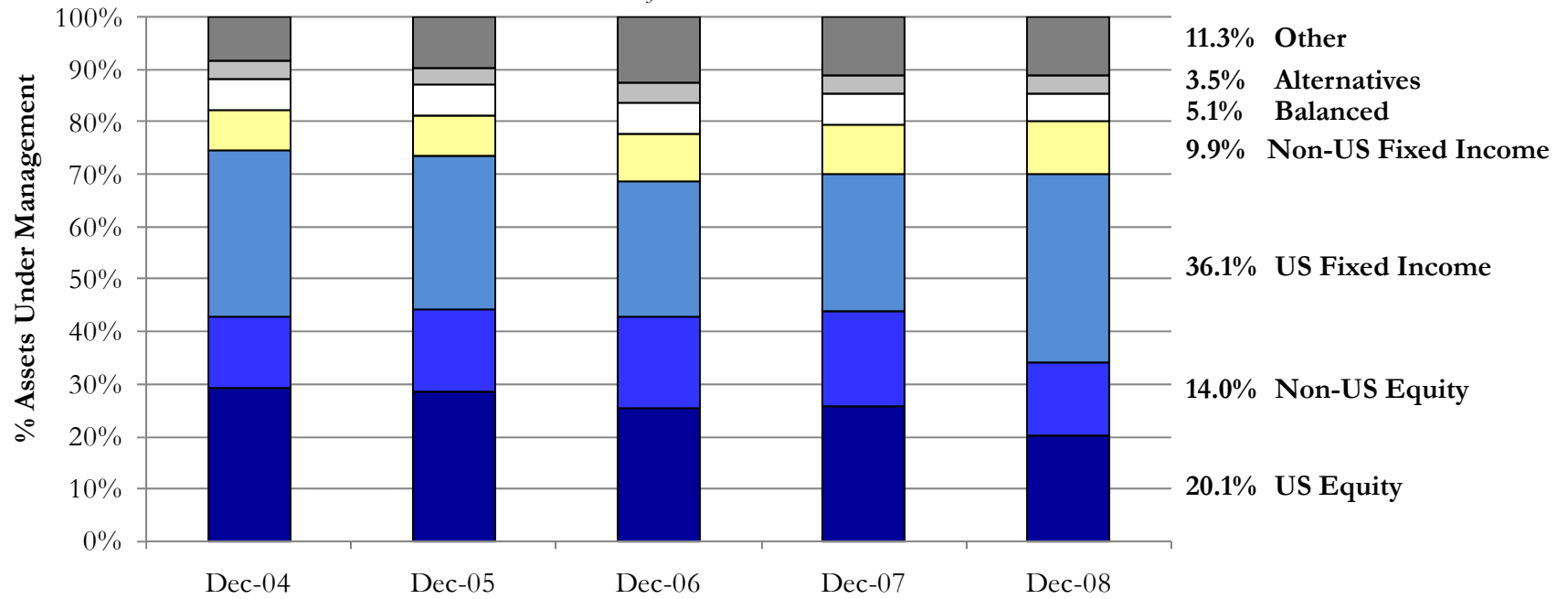


Sample consists of all assets reported to eA, estimated at \$25.2 trillion as of December 2008. See page 3.

Worldwide AUM by Asset Class

% Reported Worldwide AUM by Asset Class

As of December 31, 2008

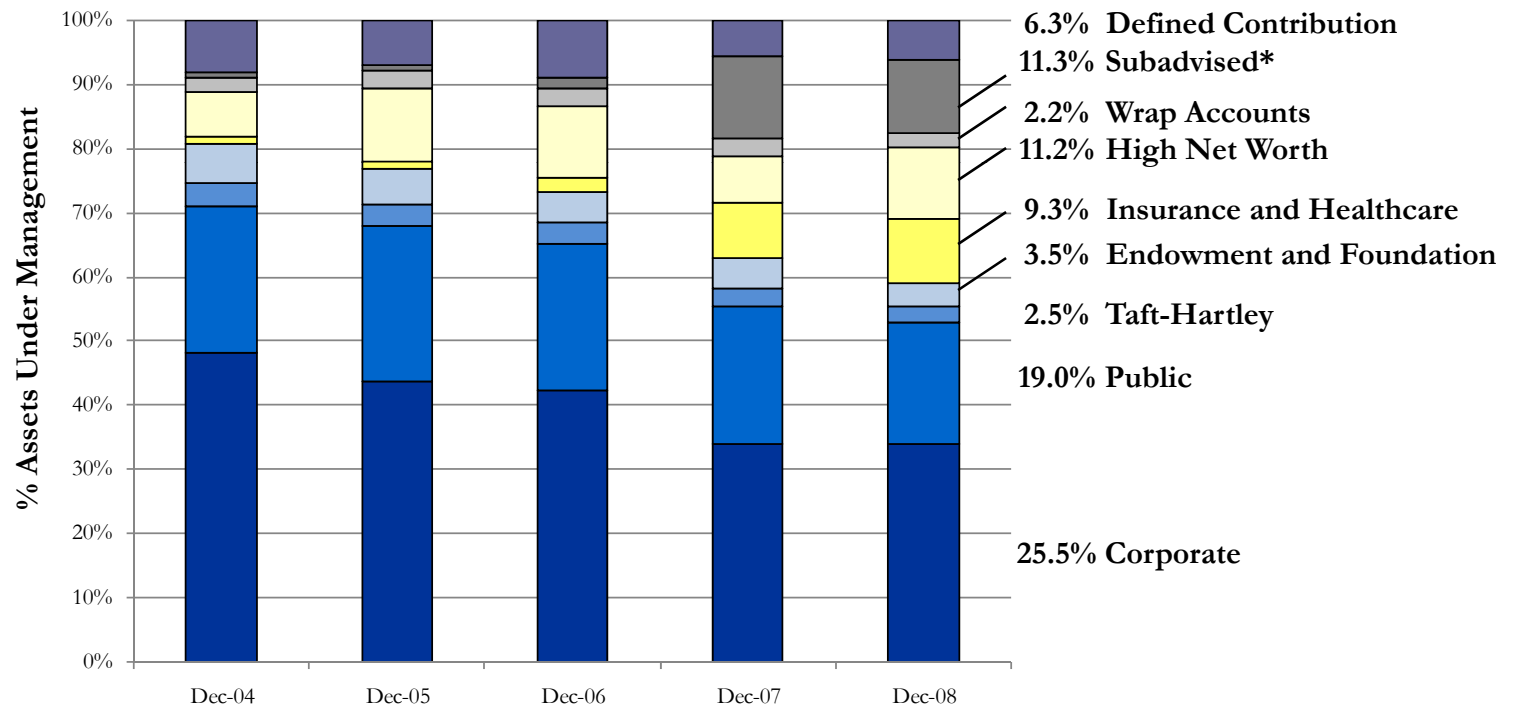


Sample consists of all assets reported to eA with asset class specified, estimated at \$21.1 trillion as of December 2008. See page 3.

Institutional AUM by Client Segment

% Reported Institutional AUM by Client Segment

As of December 31, 2008



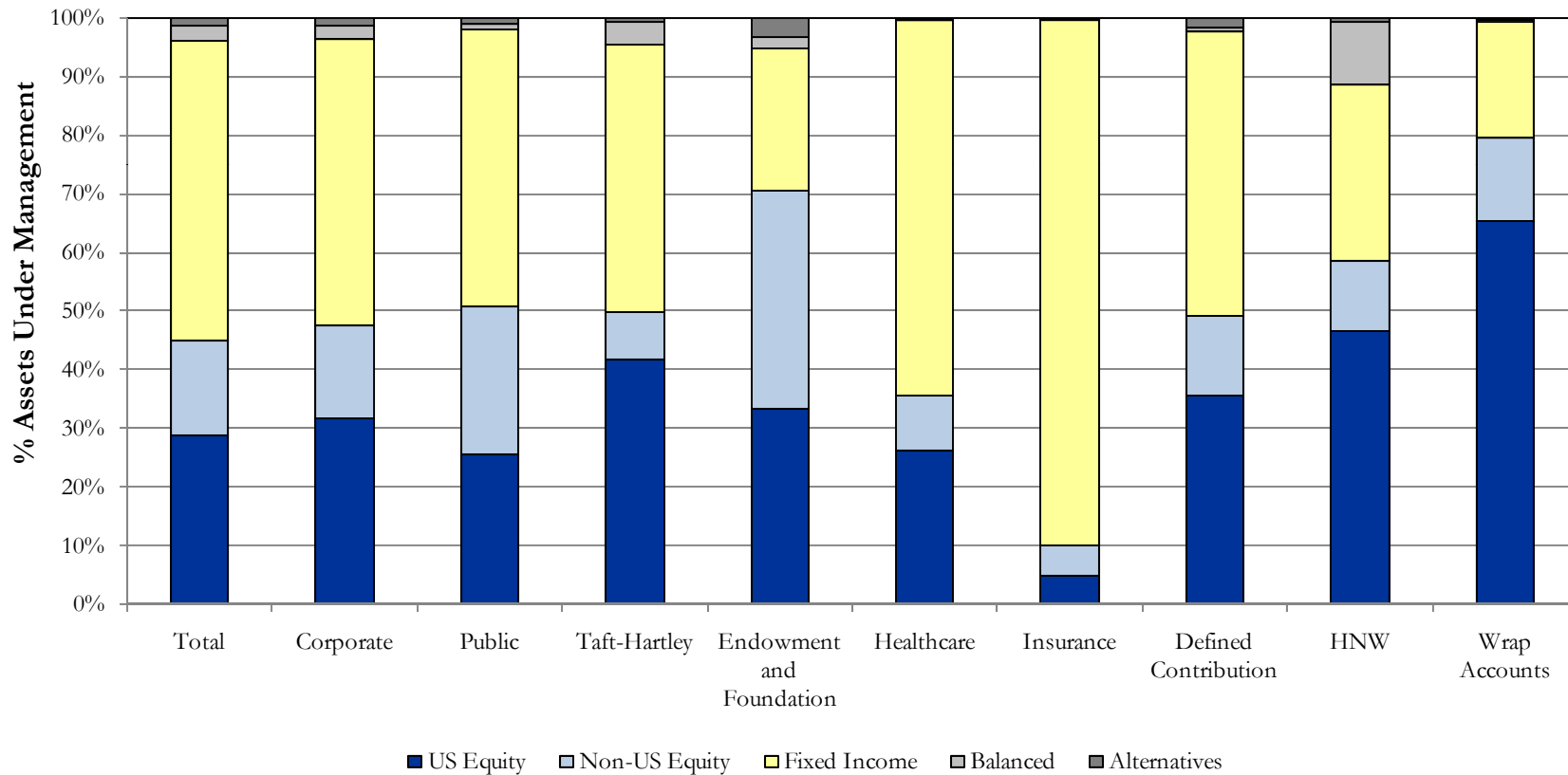
*Full Subadvisory coverage began in 2007

Sample consists of all assets reported to eA with client segment specified, estimated at \$13 trillion as of December 2008. See page 3.

Asset Allocation by Institutional Client Segment

Reported Asset Allocation by Institutional Client Segment

As of December 31, 2008

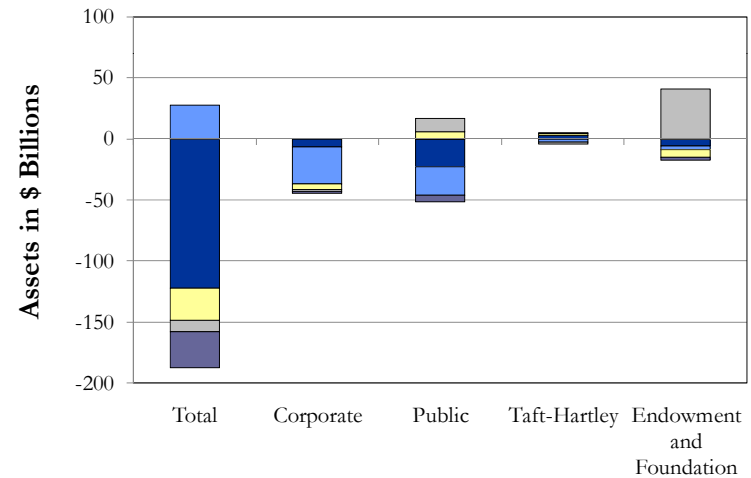
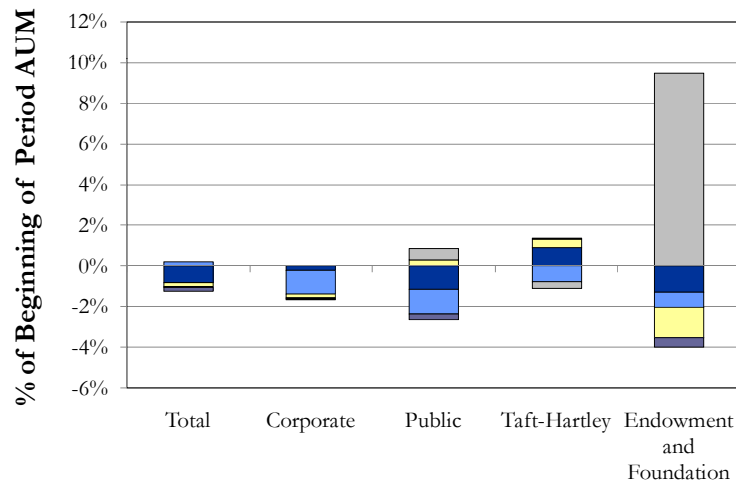


Sample consists of all assets reported to eA with client segment specified, estimated at \$13 trillion as of December 2008. See page 3.

Institutional Net Flows by Client Segment

Estimated Worldwide 1-Year Institutional Net Flows by Client Segment

As of December 31, 2008



■ US Equity ■ Non-US Equity ■ Fixed Income ■ Balanced ■ Alternatives

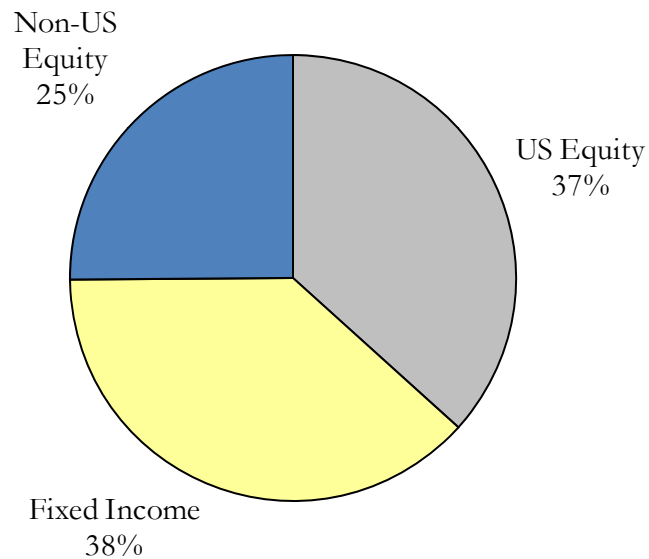
Sample consists of all assets reported to eA with client segment specified, estimated at \$8.5 trillion as of December 2008. See page 3.

Institutional Marketplace Trends

Institutional AUM and Net Flows by Traditional Asset Class and Risk Type

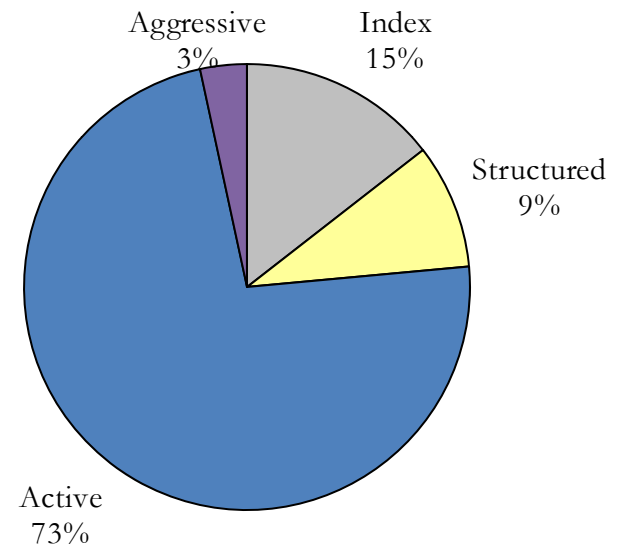
Reported AUM by Traditional Asset Class

As of December 31, 2008



Reported AUM by Risk Classification

As of December 31, 2008

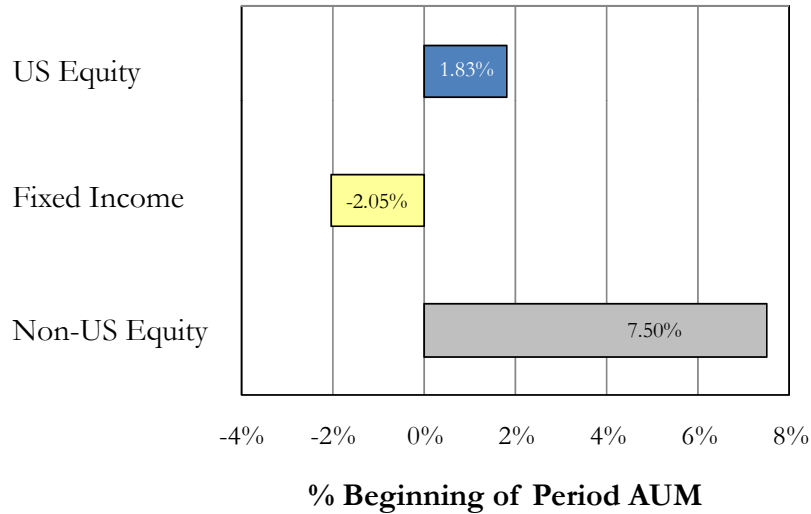


Institutional peer group sample consists of \$8.5 trillion of assets. See page 3.

Institutional Net Flows by Traditional Asset Class

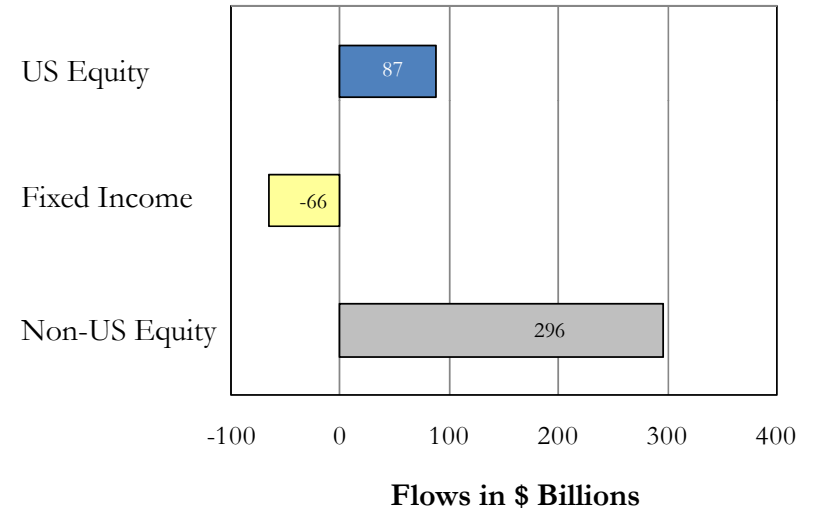
**Estimated 1-Year Net Flows as % AUM
by Traditional Asset Class**

Ended December 31, 2008



**Estimated 1-Year Net Flows in US\$ Billions
by Traditional Asset Class**

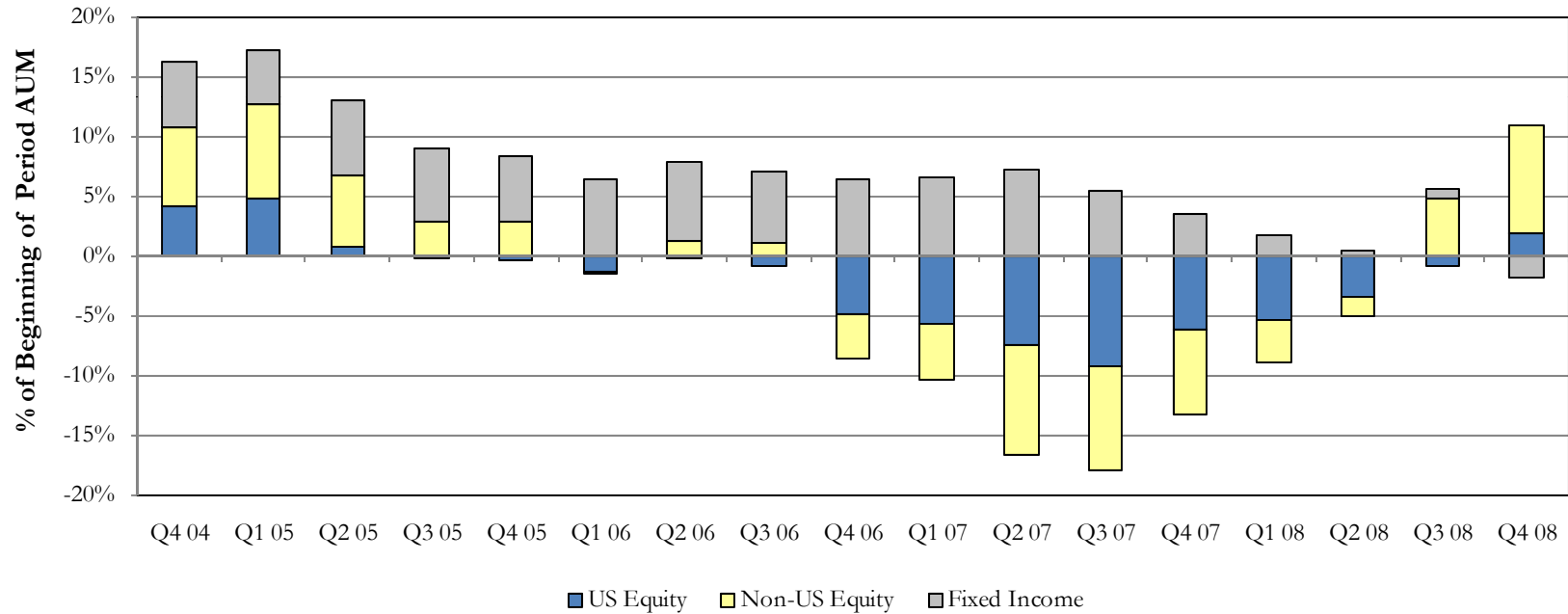
Ended December 31, 2008



Institutional peer group sample consists of \$8.5 trillion of assets. See page 3.

Institutional Net Flows by Traditional Asset Class

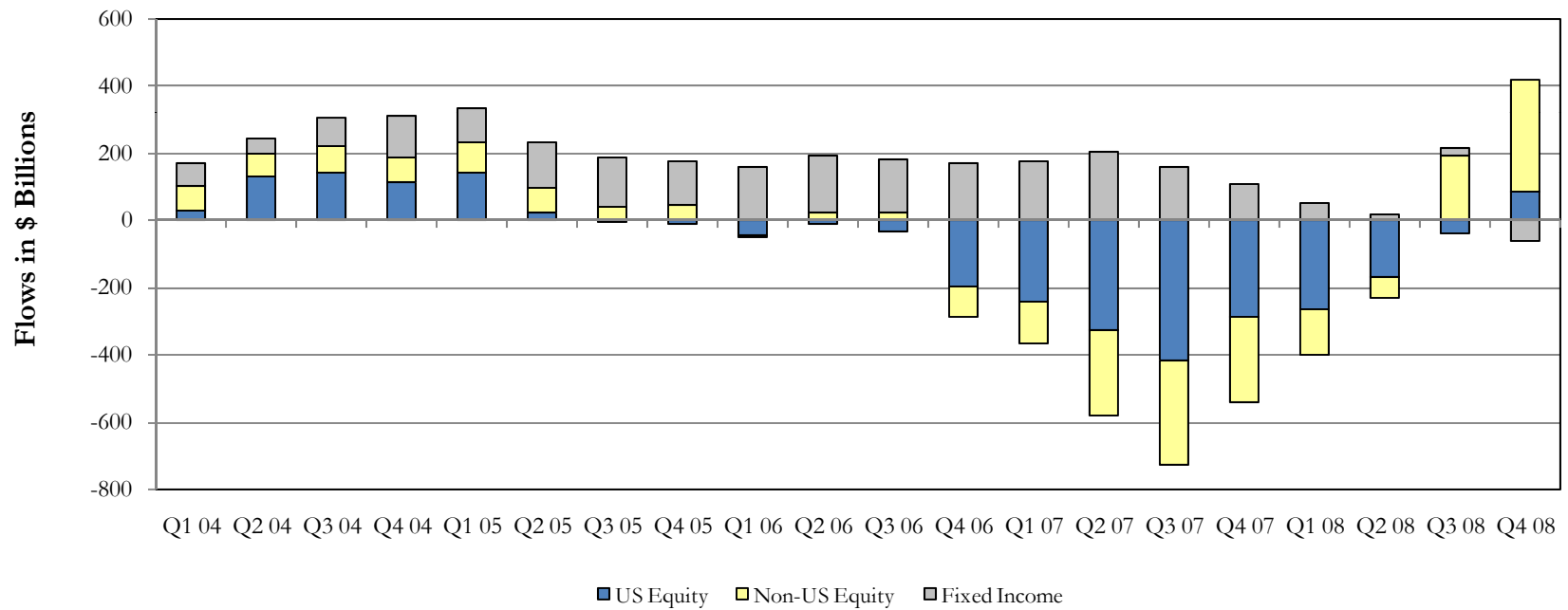
Estimated Rolling 1-Year Institutional Net Flows as % AUM



Institutional peer group sample consists of \$8.5 trillion of assets. See page 3.

Institutional Net Flows by Traditional Asset Class

Estimated Rolling 1-Year Institutional Net Flows in \$ Billions

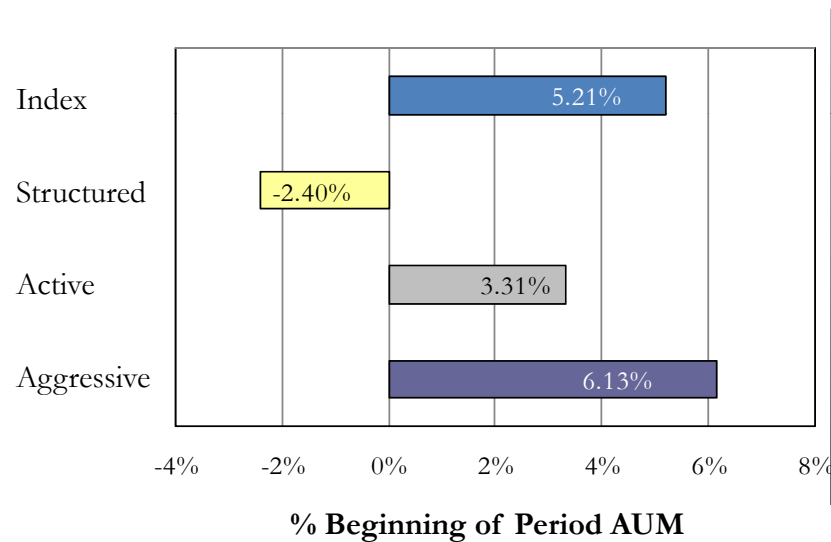


Institutional peer group sample consists of \$8.5 trillion of assets. See page 3.

Institutional Net Flows by Risk Type

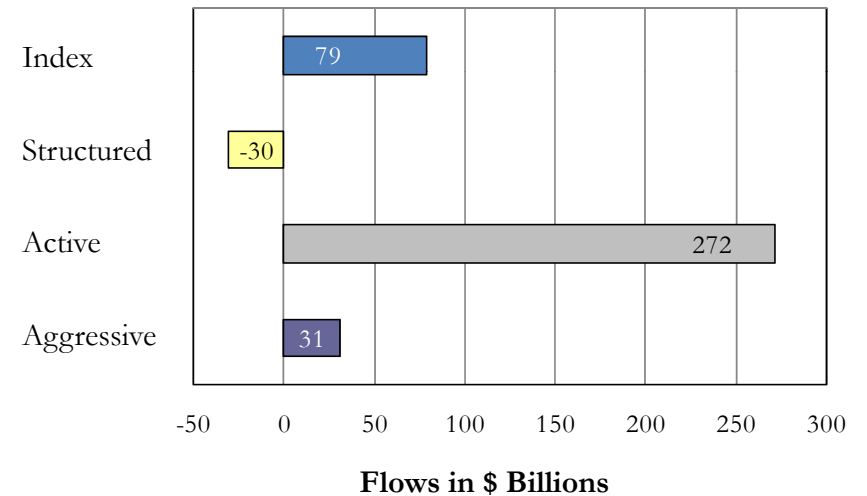
**Estimated 1-Year Net Flows as % AUM
by Risk Type**

Ended December 31, 2008



**Estimated 1-Year Net Flows in US\$ Billions
by Risk Type**

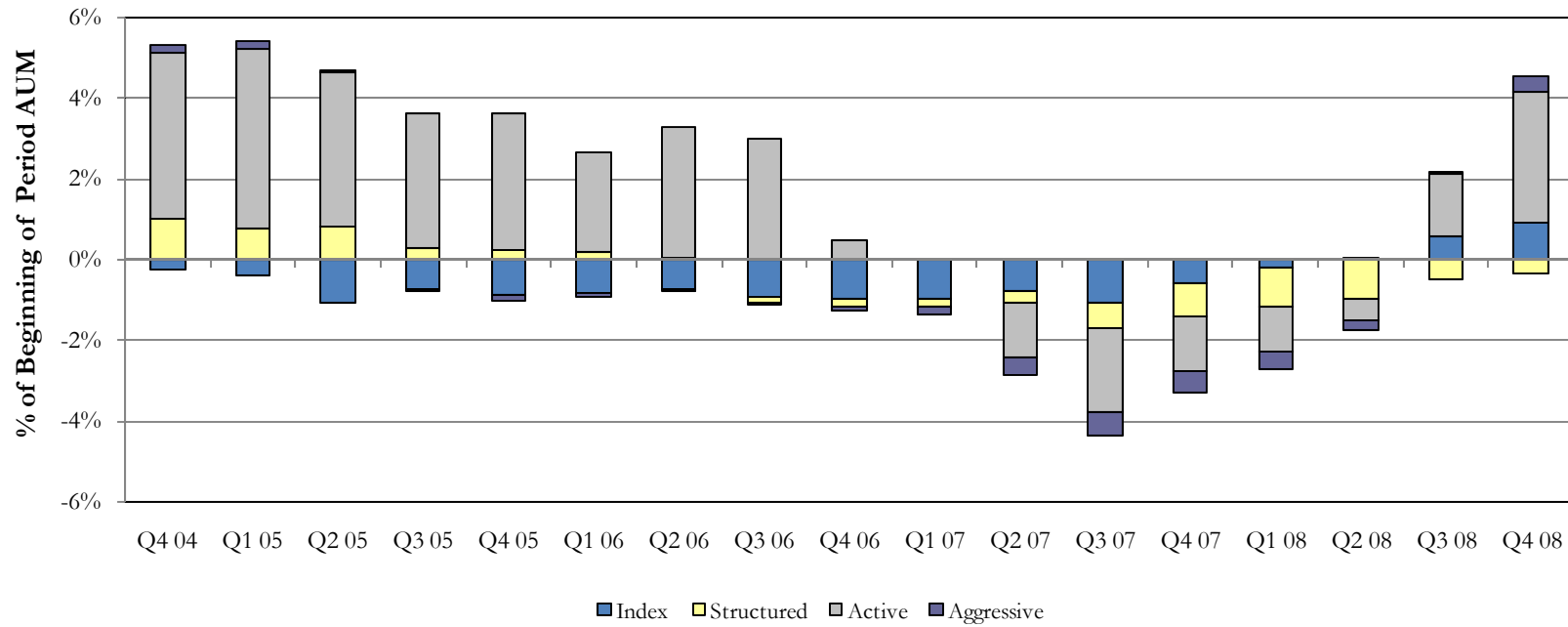
Ended December 31, 2008



Institutional peer group sample consists of \$8.5 trillion of assets. See page 3.

Institutional Net Flows by Risk Type

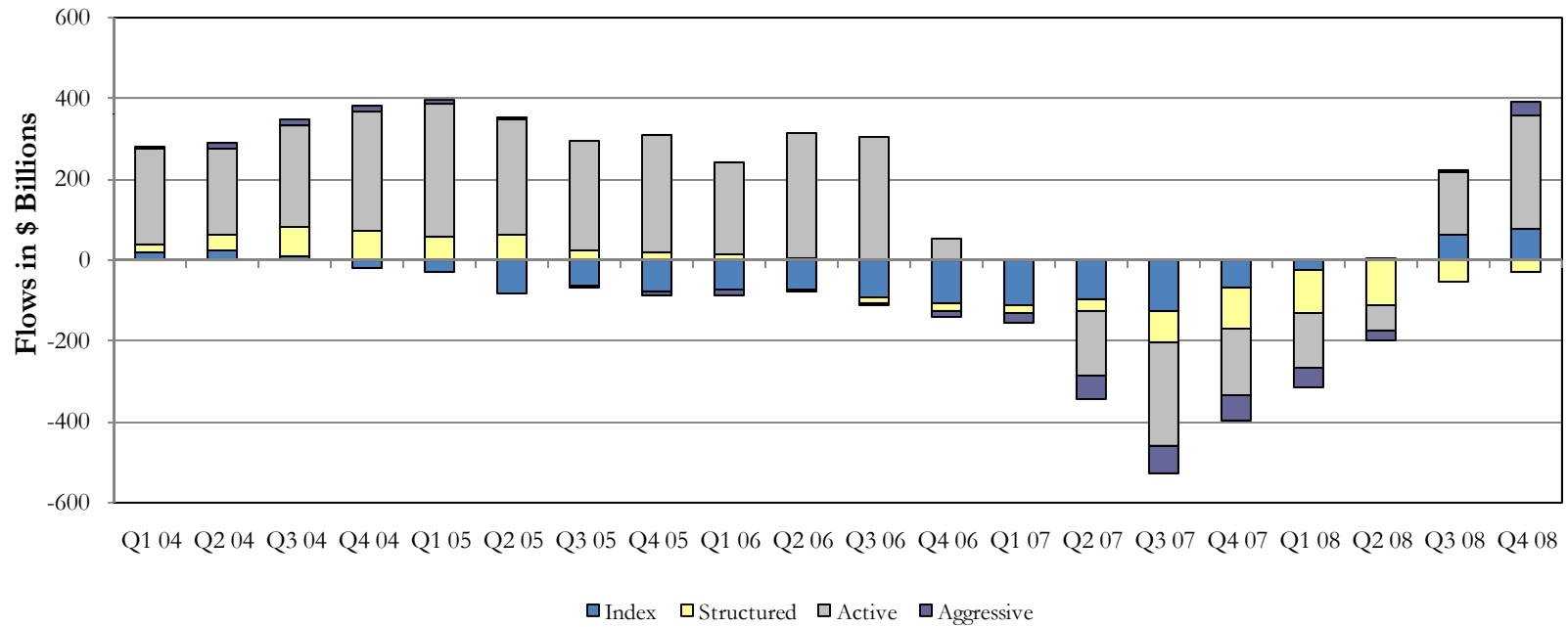
Estimated Rolling 1-Year Institutional Net Flows in % AUM



Institutional peer group sample consists of \$8.5 trillion of assets. See page 3.

Institutional Net Flows by Risk Type

Estimated Rolling 1-Year Institutional Net Flows in \$ Billions

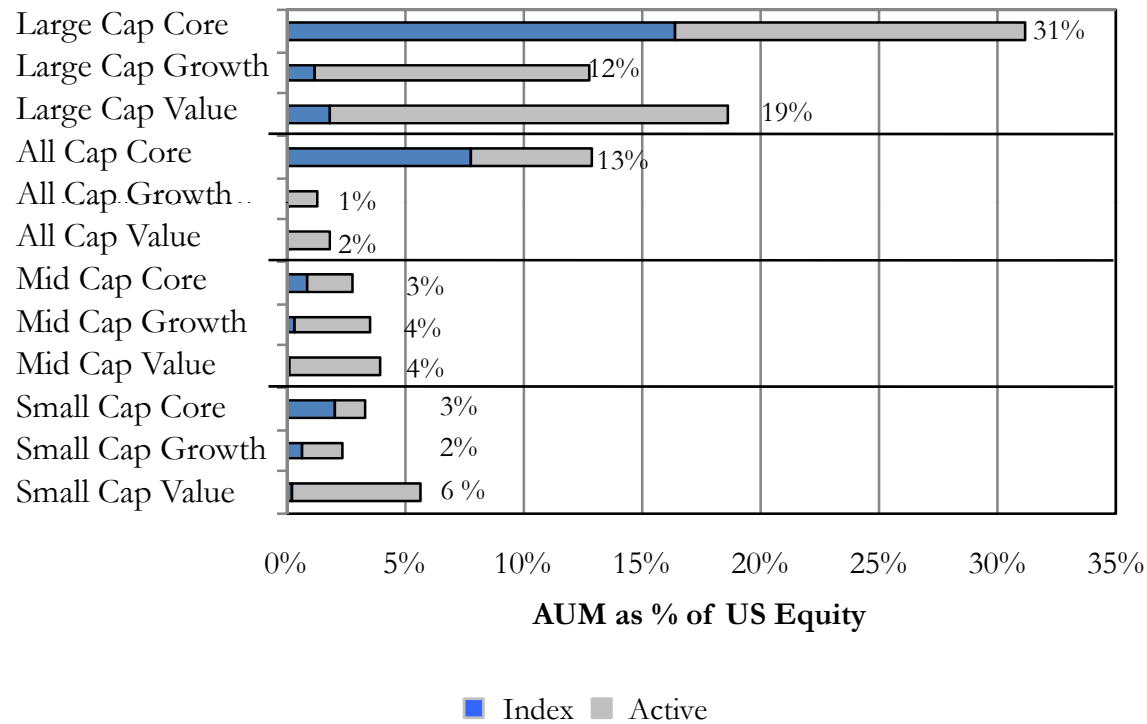


Institutional peer group sample consists of \$8.5 trillion of assets. See page 3.

Institutional US Equity AUM

Reported AUM by US Equity Peer Group

As of December 31, 2008

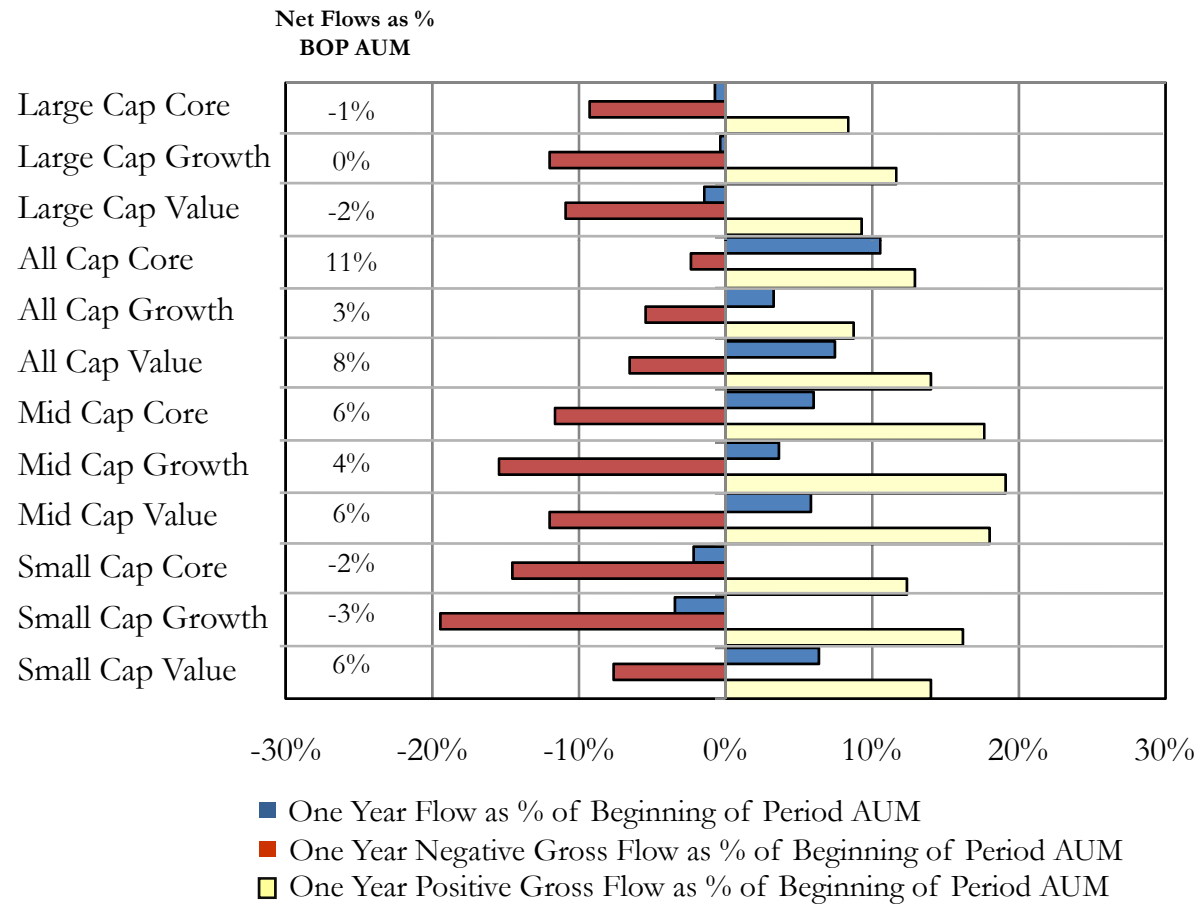


Institutional peer group sample consists of \$8.5 trillion of assets. See page 3.

Institutional US Equity Net Flows

Estimated 1-Year Net Flows by US Equity Peer Group

Ended December 31, 2008

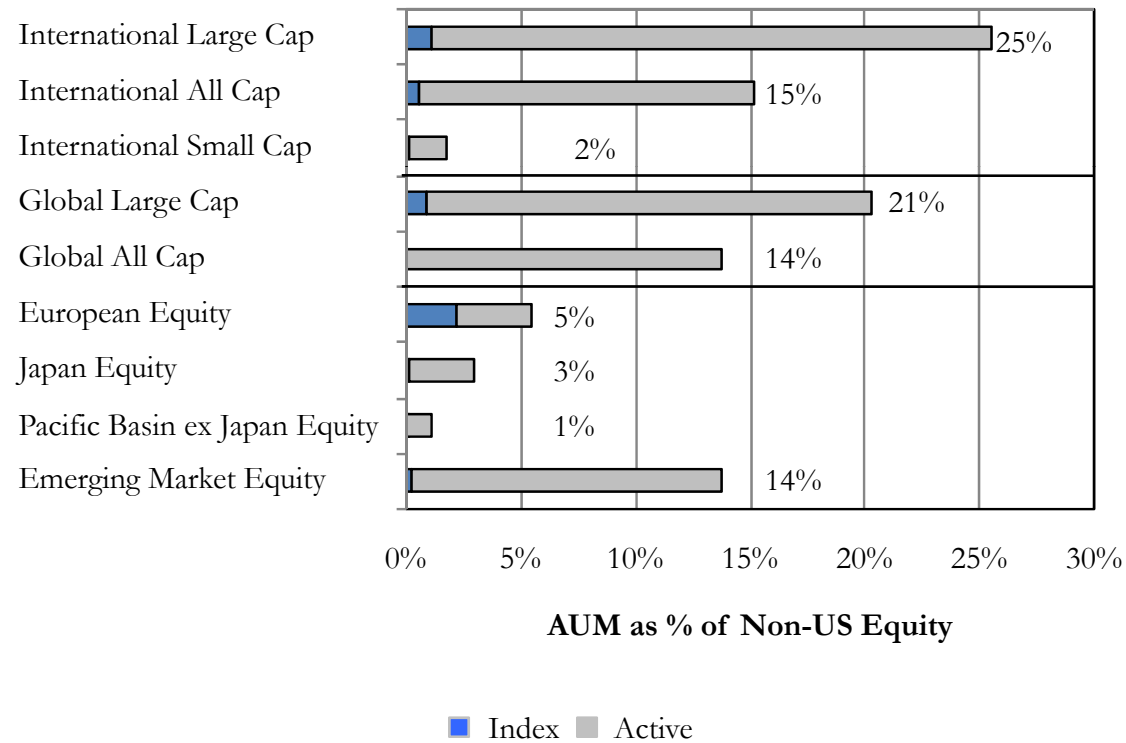


Institutional peer group sample consists of \$8.5 trillion of assets. See page 3.

Institutional Non-US Equity AUM

Reported AUM by Non-US Equity Peer Group

As of December 31, 2008

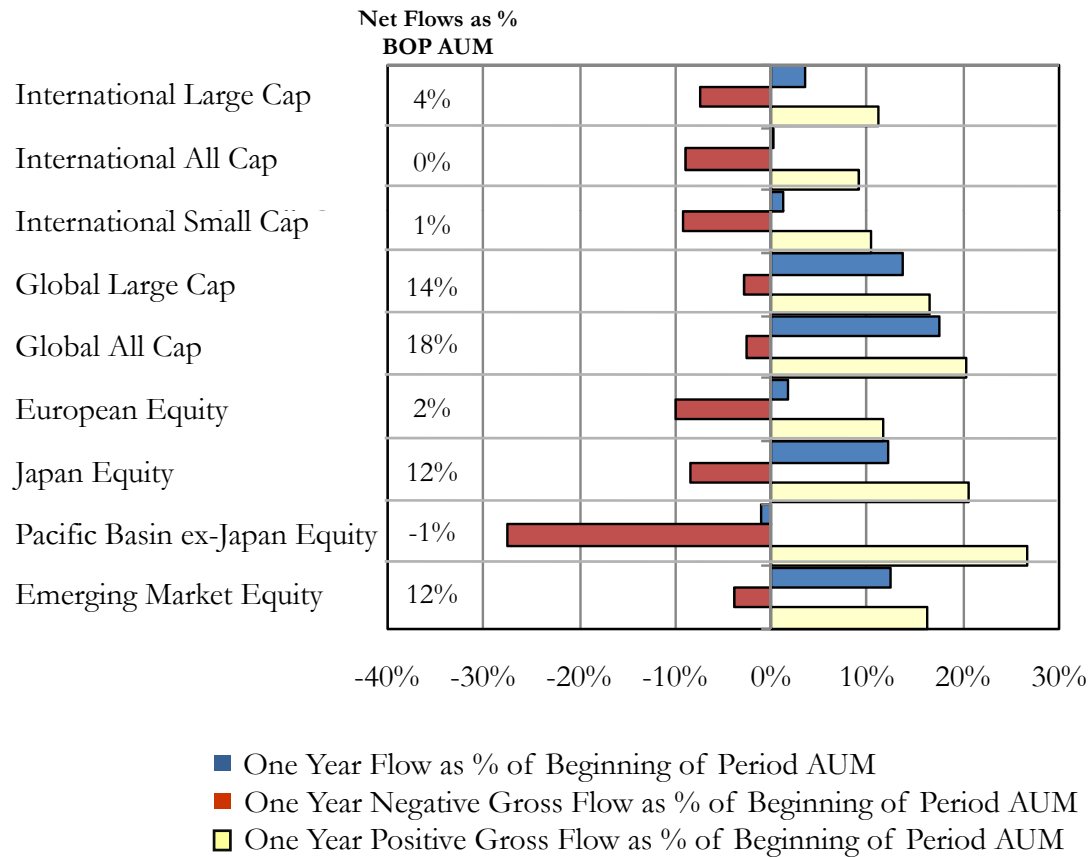


Institutional peer group sample consists of \$8.5 trillion of assets. See page 3.

Institutional Non-US Equity Net Flows

Estimated 1-Year Net Flows by Non-US Equity Peer Group

Ended December 31, 2008

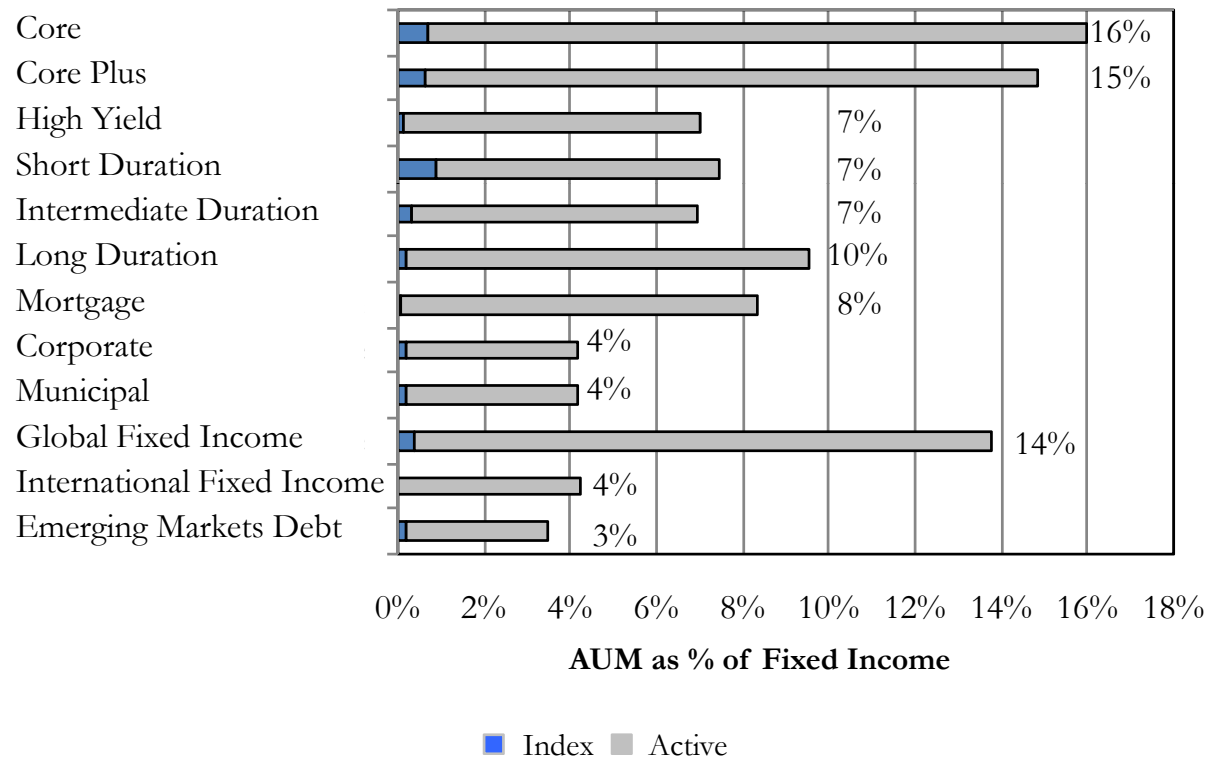


Institutional peer group sample consists of \$8.5 trillion of assets. See page 3.

Institutional Fixed Income AUM

Reported AUM by Fixed Income Peer Group

As of December 31, 2008

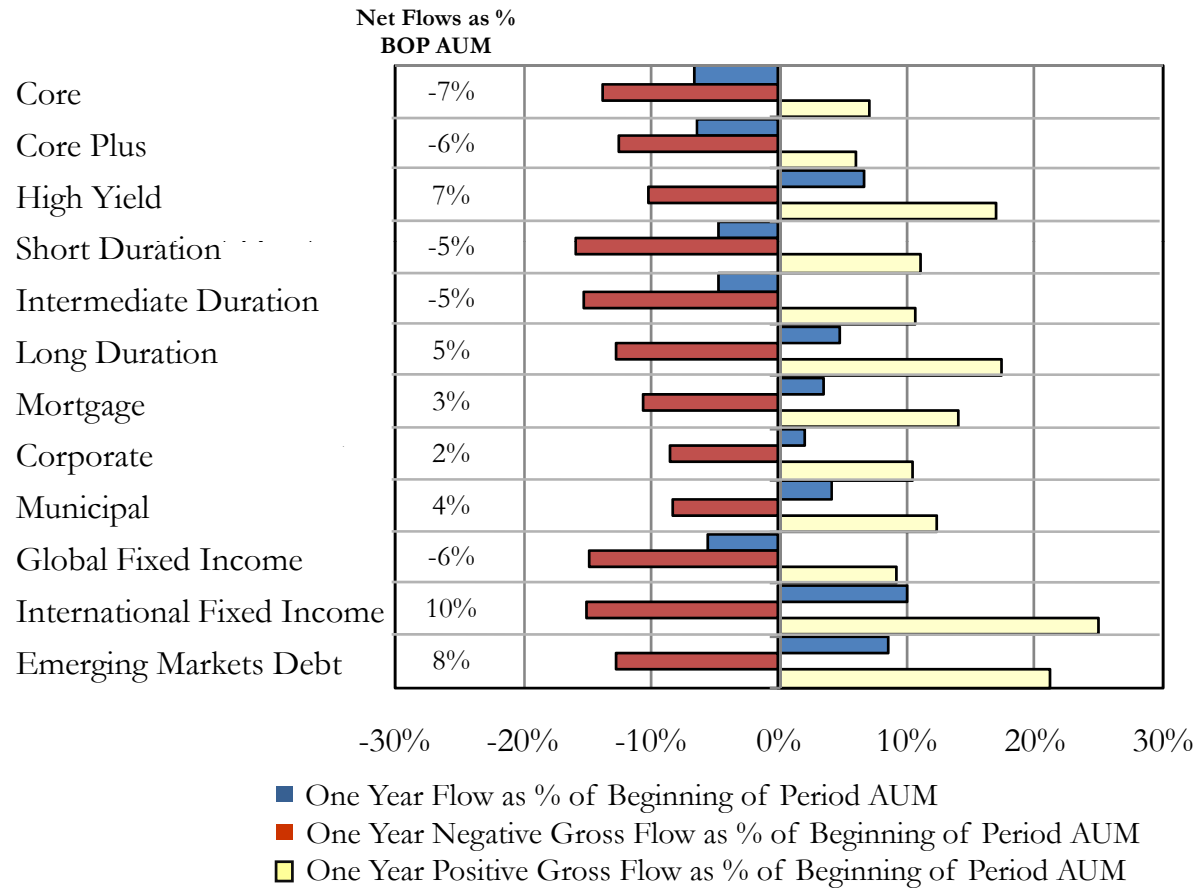


Institutional peer group sample consists of \$8.5 trillion of assets. See page 3.

Institutional Fixed Income Net Flows

Estimated 1-Year Net Flows by Fixed Income Peer Group

Ended December 31, 2008

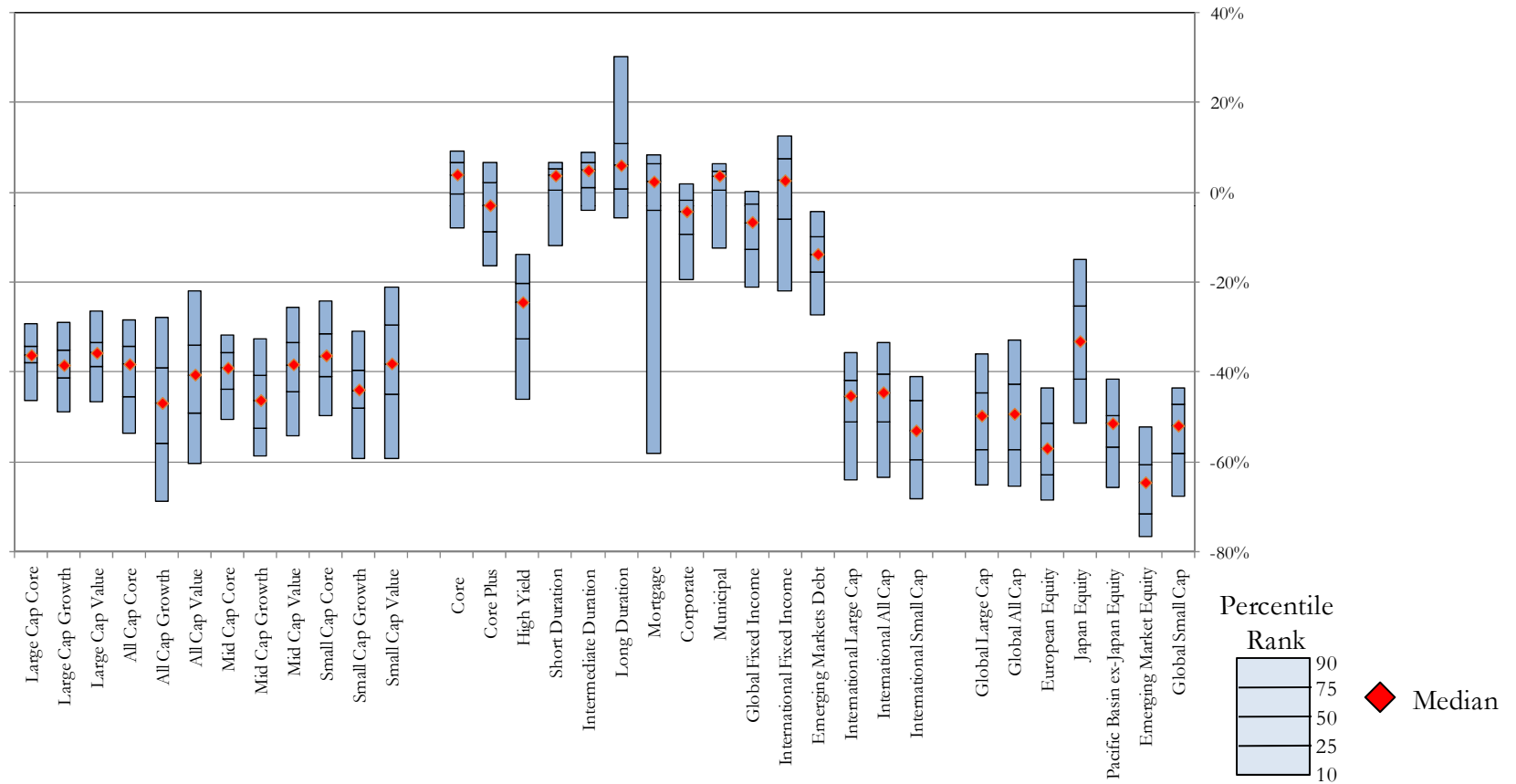


Institutional peer group sample consists of \$8.5 trillion of assets. See page 3.

One-Year Median Returns

One-Year Returns by Peer Group

Ended December 31, 2008

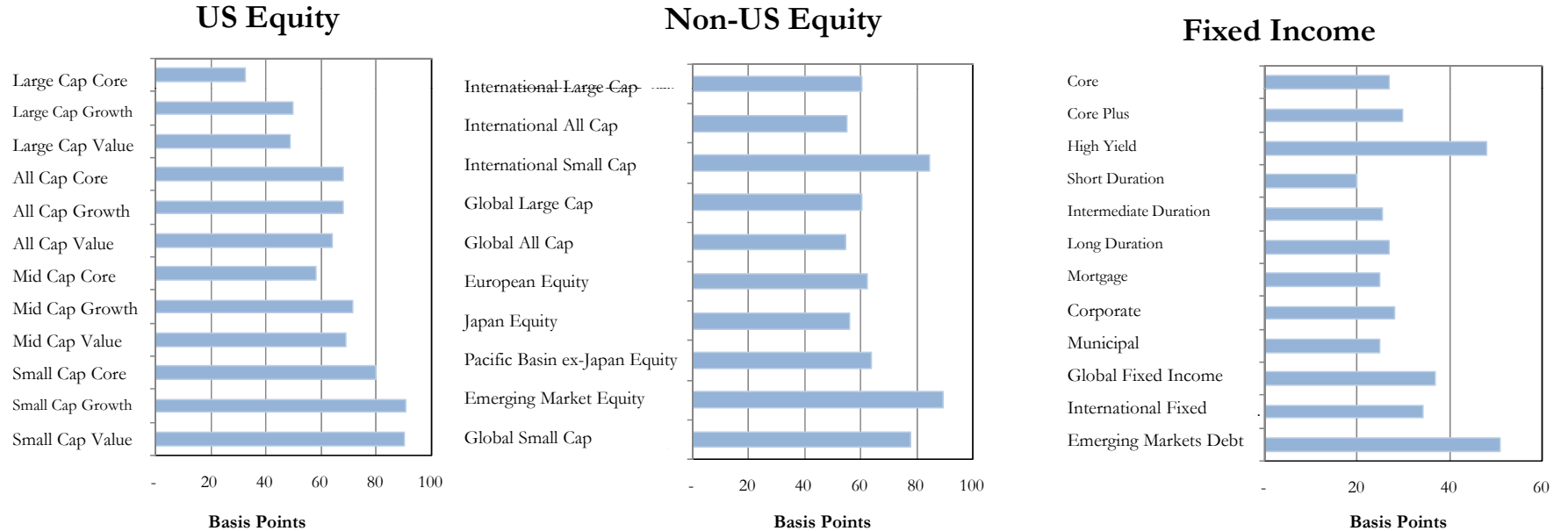


Returns reported gross of fees compared to relevant benchmark.

Published Management Fees

Published Management Fees by Peer Group

As of December 31, 2008



Appendix

Methodology and Terminology

Peer Group Categorization Methodology

When assigning the appropriate peer group to each product, we employ a comprehensive set of screens to ensure fair comparison. When assigning the appropriate peer group to each product, we consider the following:

- a) Self-categorization
- b) Product benchmark
- c) Product name
- d) Investment universe
- e) Correlation analysis

For borderline cases, we also examine the investment philosophy and investment process. All products' peer group assignments are reviewed at least once annually.

Benchmark Selection

If the manager supplied a benchmark name in the eVestment Alliance database, we use that benchmark. We use the appropriate Russell benchmark for each peer group—Russell 1000 for Large Cap Core, Russell 1000 Growth for Large Cap Growth, and Russell 1000 Value for Large Cap Value.

Rate of Return

We use the gross quarterly returns as provided by the eVestment Alliance database.

Methodology and Terminology

Assets Under Management (AUM) Calculation

We aggregate AUM data across peer groups and risk level classifications. We use AUM data as it is provided in the eVestment Alliance database. In cases where a clear error has been committed in the process of entering the data, we adjust for the error.

Net Asset Flows

We assume that every change in asset levels that is not the result of capital appreciation or depreciation is the result of asset flows. To determine asset flows during a quarter, we subtract the capital-appreciation adjusted AUM (AUM in the beginning of the quarter, plus the effect of capital appreciation or depreciation as a result of positive or negative returns respectively) from quarter-end AUM.

Published Management Fees

Management fees, as presented in this document, are the median published management fees in basis points.

Risk Level Classification Methodology

For purposes of tracking asset flows and fees, we divide each peer group into four risk segments. Casey Quirk analysts use quantitative guidelines and qualitative assessments to classify products.

Index Products are those managed most closely to their respective benchmark. As a rule, products described as “Passive,” with tracking errors of up to 3%, are included in this category, as well as all products with a tracking error of less than 0.5%.

Structured Products are much like Index products although they stray from the benchmark in order to take advantage of factors such as market timing, stock selection, and/or leverage. Products include those described as “Structured” or “Enhanced,” as well as products with a tracking error ranging from .5% to 1.5%.

Active Products are mainstream, actively managed products aimed at taking more risk in order to outperform the benchmark. This is the largest category, and it includes all products not classified under Index, Structured, and Aggressive.

Aggressive Products are those managed with little or no benchmark-related risk consideration. Products included in this classification usually are the riskiest 25% in the peer group as measured by three-year tracking error.

Disclaimer

The data included in this report are a compilation of performance data provided by eVestment Alliance unless otherwise noted. The narrative portion of this report is provided by Casey, Quirk & Associates LLC. This report should not be considered to be investment advice and is not a recommendation, endorsement, or solicitation for any investment manager or its services or of any securities referred to herein. All quarterly returns are provided directly by the manager of the product shown. While the information contained herein has been obtained from sources deemed reliable, neither Casey, Quirk & Associates LLC, eVestment Alliance nor any information provider guarantee that it is accurate or complete or make any warranties with regard to the results that have or may be obtained from its use. Neither eVestment Alliance nor Casey, Quirk & Associates have made any independent attempt to confirm the accuracy of the data used in the preparation of this publication. Past performance is not an indication of future performance.

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