

Strategic Insight

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Perspectives



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Globally, \$800B Inflows to Bond, Stock Funds in 2010:

- Worldwide, bond and stock funds will benefit from about \$700 billion of net inflows for all of 2010 (with an additional \$100 billion+ added to ETFs). Yet, our industry and its many and diverse members continue to experience large shifts in asset class use, distributors needs, and regulators' expectations
- To better serve an increasingly globalized industry, SI opened in August a **new office in Hong Kong**, aimed at providing more support for clients in Asia, following our March opening of a **London** office.
- 2011:** Many of the forces driving investors' choices this year remain in place for 2011 and maybe beyond. Financial insecurity, zero cash yields (and the Federal Reserve's QE2), depreciating US Dollar, and the expansion of bond fund mandates (to search globally and in the US for higher-yielding securities) all support the continuation of strong bond fund demand. It is my contention that investors "compartmentalize" their money into "safety & income" and "risk capital", and most money invested in bond funds recently is in the "income" bucket and is not available for risky stock investing. Global diversification of stock (and bond holdings) and investing in emerging wealth regions are strong secular trends. Redefining a "core equity portfolio" along a more flexible and global mandate will continue. FA expectations of more "complete" solutions from investment managers (not just offering investment sleeves or "blocks") persist.
- Fund innovations:** Our industry is experiencing a period of rapid product development more diverse than I can remember over decades. You may review our recent presentation [here](#) or on sionline.com / Research & Reports / Industry Briefings]. Note our reviews of most notable new funds also are posted monthly on sionline.com.

- 12b-2:** Concerns were articulated by many industry participants. Beyond necessary modifications and clarifications, it is possible that the recommendation to harmonize 12b-2 with the numerous other proposals on regulators' agenda (fiduciary standards, point-of-sales disclosure, and more) results in implementation of the new rule later than currently proposed.

Newly Published In-depth Studies

- Based on nearly 1,000 interviews conducted over the past two years: ***The Seven Secrets of Distribution*** study focuses on changing business models in **global distribution**, who distributors are selecting and why. Learn more [here](#)
- Researched by SI Retirement Income team: ***Variable Annuity Living Benefits and Eligible Funds***. This 300+-page study provides a revealing snapshot of the latest VA living benefits and the available investment options. Learn more [here](#)
- Product strategy and distribution trends at the US **National Broker-Dealers**, a quarterly report series (powered by data from Coates Analytics). To illustrate the valuable analysis in these reports, you may download the full 2Q'10 report [here](#).
- These three major studies are available for purchase. To learn more: Dan Weirnerman, dweirnerman@sionline.com, or 1-212-217-6897.

SI's Simfund, Tracking \$20 Trillion around the World:

- Simfund Global: the **web-based beta version** should be available in Q1'2011. Our existing desktop Simfund GL database is adding **new benchmarks, new countries and new currencies** to help provide broader analysis of industry trends. The US version, **Simfund MF**, is now shared with subscribers (collectively responsible to 85%+ of the industry's assets) **by the ninth business day after month-end**.

Client Conference Oct. 18

- Over 100 executives from 60 investment management firms, as well as senior relationship managers from many of the most important distribution companies, attended SI's "**Future of Funds Conference**" in New York. Discussions examined product development and innovations. We hope to see you at the next SI conference!

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Domestic Funds: Q3 2010 in Review



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Fund Industry Overview (Excludes ETFs and VA Underlying Funds)

	Net New Flows \$B			
	Q1'10	Q2'10	Q3'10	YTD-9/10
US Equity	6.7	-6.3	-36.8	-36.4
Int'l Equity	<u>28.0</u>	<u>5.5</u>	<u>5.7</u>	<u>39.2</u>
Total Equity	34.8	-0.8	-31.1	2.9
Taxable Bond	74.3	45.8	74.0	194.1
Muni Bond	<u>13.2</u>	<u>5.2</u>	<u>11.5</u>	<u>29.9</u>
Total Bond	87.4	51.0	85.5	224.0
Total Equity & Bond	122.2	50.2	54.4	226.8
Money Market	-330.5	-171.6	-14.9	-517.1
Total Industry	-208.3	-121.4	39.5	-290.2

Source: Strategic Insight Simfund MF

US equity mutual funds experienced net outflows of \$36 billion during the first nine months of the year. Net outflows from domestic stock funds grew in Q3 versus Q2 as the prospects for an extended period of sluggish growth weighed on investors' appetite for added US fund exposure. In contrast, international/global equity fund flows picked up close to \$40 billion through September, led by diversified emerging markets funds (for more on emerging markets, see pages 6-7).

Bond and stock funds in total drew an estimated \$227 billion in total inflows in the first nine months, led by bond funds – including \$86 billion in inflows in Q3. Investors continue to flock to bond funds partly in a search for some income (in a zero-cash yield environment) and partly as a way to participate cautiously in financial markets. Based on the first nine months' pace, bond mutual funds could draw \$300 billion in net inflows this year (even excluding ETFs and VA funds) – the second-highest total in history behind last year's record inflows of \$350 billion. Short- and

intermediate-term bond funds together accounted for more than half of taxable bond fund inflows. Similarly, half of muni bonds' \$30 billion of inflows in the first nine months went into short and intermediate-term national muni funds.

Eschewing near-zero yields, money market funds suffered \$517 billion in net redemptions in the first three quarters of 2010 (led by institutional investors) -- already exceeding their outflows for the full year 2009.

While the S&P 500 returned 3.9% through the first three quarters of 2010, **the average actively managed US equity fund (due to the above-average returns of smaller cap and selected sectors) outperformed the benchmark index by 1.3%** on an average asset-weighted basis. Some emerging markets gains helped international equity funds' average asset-weighted returns best the MSCI EAFE index by a wider margin.

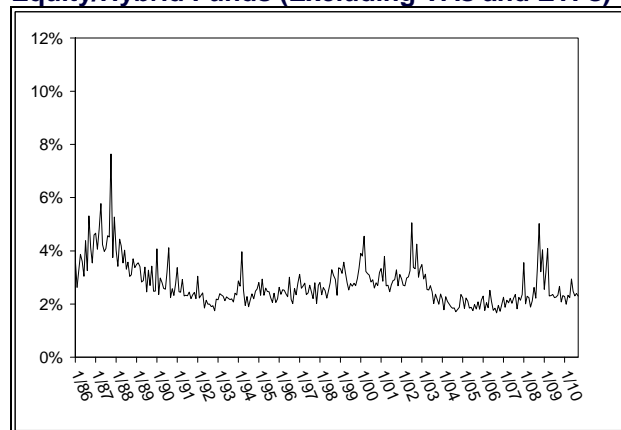
Average Asset-Weighted Annualized Returns %

	Q1'10	Q2'10	Q3'10	YTD-9/10
Domestic Equity *	5.3	-10.1	11.1	5.2
Int'l Equity	2.0	-10.8	15.9	5.4
Taxable Bond	2.5	1.8	3.9	8.5
Muni Bond	1.4	1.6	3.5	6.8
Money Market	0.01	0.02	0.03	0.06

* Includes hybrid/allocation funds. Sources: Strategic Insight Simfund MF; Morningstar. Data excludes Funds of Funds

Although the stock market gains imply that the “worst is over”, financial anxieties continue and the pace of new equity fund investments has consequently been slow. Reassuringly, though, the pace of stock fund redemptions has held steady at their normalized, pre-crisis pace of around 2%. As we have noted before, redemption spikes tend to be short-lived.

Redemptions as a Percentage of Assets Equity/Hybrid Funds (Excluding VAs and ETFs)



Source: Strategic Insight Simfund TD (ICI Trends)

Equity / Hybrid Funds: Active vs. Passive (excl. VAs)

	Net New Flows \$B		
	Q1'10	Q2'10	Q3'10
Actively Managed Funds	23.0	-13.7	-36.0
Index Funds (non-ETF)	11.4	11.7	3.9
ETF Open-End Funds	9.9	11.8	18.4
ETFs structured as UITs / Grantor Trusts / ETNs /Other	-11.0	8.4	6.8

Source: Strategic Insight Simfund MF

Equity index and open-end ETFs continued to draw investors' interest. On the bond side, actively managed funds drew substantially greater net inflows.

Bond Funds: Active vs. Passive (excl. VAs)

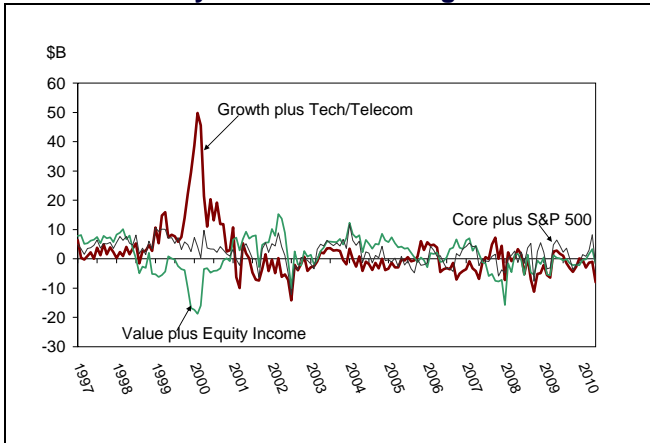
	Net New Flows \$B		
	Q1'10	Q2'10	Q3'10
Actively Managed Funds	79.0	45.2	74.0
Index Funds (non-ETF)	8.0	5.0	10.0
ETF Open-End Funds	10.0	11.3	8.6

Source: Strategic Insight Simfund MF;

Growth vs. Value

As can be seen in the following chart, **value-oriented funds and core style (plus S&P 500 index) funds outdrew growth-oriented funds, albeit slightly in 2010**, as growth styles experienced net outflows from US equity funds while value styles remained flat. It was the third straight year that core funds led in net flows despite net outflows from large-cap core funds. Naturally, many individual value and growth funds continued to attract significant inflows.

Open-End Domestic Equity Fund Flows by Investment Style from 2000 through June 2010



Source: Strategic Insight Simfund MF; Lipper Inc. (Classifications)

Flows and returns among diversified actively managed US equity funds are summarized below. Growth style funds outperformed core and value funds through 3Q 2010.

Actively Managed Diversified U.S. Equity Flows and Performance (excl. VAs)

	Flows \$B		Ytd-9/10 Returns *
	2009	Thru 9/10	
Large-Cap Growth	-8.2	-17.4	3.3
Multi-Cap Growth	-7.0	-10.1	6.8
Mid-Cap Growth	-1.4	-3.2	10.9
Small-Cap Growth	1.6	-1.7	10.1
Growth Funds	-15.0	-32.4	5.6
Large-Cap Core	-13.4	-17.4	2.0
Multi-Cap Core	-0.6	-2.3	4.5
Mid-Cap Core	1.2	-1.5	8.4
Small-Cap Core	3.3	-1.3	8.7
Core Funds	-9.5	-22.4	4.6
Large-Cap Value	-15.1	-8.3	2.7
Multi-Cap Value	-4.5	-3.5	3.4
Mid-Cap Value	1.3	0.0	7.0
Small-Cap Value	0.8	1.5	8.6
Value Funds	-17.5	-10.4	3.9

* Weighted by ending assets; Source: Strategic Insight Simfund MF; Lipper Inc. (Classifications and Returns)

2010 Flows by Manager

The following tables summarize the managers making the most cash flow progress last year in actively managed, long-term funds.

All Equity and Bond Actively Managed Funds (excl. VAs): Highest Cash Flow Managers

Manager	Flows (\$B)		YtD-9/10 Flow Rate*	9/10 Assets \$B^
	2009	YtD-9/10		
PIMCO/Allianz Global	74.0	54.7	16.0%	428.4
JPMorgan Funds	26.0	17.2	19.6	110.4
Franklin Templeton	18.4	16.2	5.6	323.1
BlackRock	10.5	8.6	6.3	153.0
Eaton Vance	4.0	8.5	9.8	95.9
Thornburg	5.1	6.7	20.2	41.5
Lord Abbett	6.5	6.6	13.0	60.4
Harbor Capital	4.3	5.1	11.1	53.3
MFS	4.3	5.0	7.0	80.2
DFA	4.6	4.8	5.7	98.0

*YTD 2010 flows as a pct. of 12/09 assets; ^Active long-term assets only; Source: Strategic Insight Simfund MF

Global Trends: Rethinking Distribution



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SI's Global team is excited to announce the opening of our office in Hong Kong in August, and the newly published "Seven Secrets of Distribution", an in-depth study which focuses on changes in the global fund industry post-financial crisis. This article is adapted from the study. For more information on the report and purchasing options, see <http://bit.ly/95ADZJ> or visit www.strategicinsightglobal.com.

Fund and wealth management executives have given us, through nearly 1,000 interviews spanning two years, new perspectives on fund distribution and how it is changing during this increasingly complex and still-challenging period for the global investment industry. We have distilled these insights into a "Seven Secrets" framework - seven key themes across four categories: **product, marketing/information, strategic trends, and client service.**

On the product side, the industry is headed towards a reduced number of **blockbuster funds** in a more guided architecture context, with current flows to simple and thematic funds.

Performance remains paramount, but increasingly we are being told that non-performance factors and senior commitment are becoming more important for many selectors to "keep clients' money safe."

In distributors' minds, the crisis laid bare two groups of companies: those that reduced staff and didn't call clients; and those that supported and expanded the relationship. Companies in the former group are seen as having compromised their business and brand, and are unlikely to be used again in the coming years – they are "blacklisted."

Blacklisting by distributors has accelerated the turnover in industry leadership. In conjunction with the trend towards "back to basics," and rising emphasis on successful independent fund managers, a new group

of companies has quietly assumed the top spots in the industry and are becoming the net flow blockbusters.

Templeton has taken over the top spot of cross-border fund flows in 2010 with a selection of highly successful flagship funds and focus on "metatrends". But other companies have also had success with blockbusters, as highlighted in the table below.

Examining the business models of the leading firms, **Strategic Insight developed a "distribution scorecard," including the seven most important components to establish a blockbuster: the quality of the relationship with professional fund buyers has moved to the top of the list during the financial crisis.**

The decision by distributors to reduce the number of managers and funds that they work with has led to a distinct "winner takes all" phenomenon.

The **concentration of flows** in the last year and a half to a few key managers and flagship funds around the world has been accelerating. Products such as PIMCO Total Return, Templeton Global Bond, Carmignac Patrimoine, Pictet Local Emerging Market, and Schroders ISF Euro Corporate Bond reached blockbuster status as the above mentioned themes were implemented by distributors: **back to basics, sexy but simple products, independent brands and thematic product appeal.**

Top-Selling Long-Term Funds, Europe/ Offshore/Asia

Portfolio	Net Inflows	Total
	Yr-to-Date	Assets
	thru 09/10	Sept. 2010
	US\$B	US\$B
Templeton Global Bond	15.0	32.6
Carmignac Patrimoine	11.5	35.8
PIMCO GIS Tot Return Bond	9.4	20.3
Nomura Global Hi Yield Bond	9.4	10.1
Templeton Global Tot Return	6.8	12.0
Pictet-Emrgng Local Curr Debt	6.5	8.7
AllianceBernstein-Glbl HiYield	4.7	15.1
DaiwaSB Short Term AU Bond	4.7	8.8
Standard Life InvGlo AbsReturn	4.6	8.8
Fidelity US REIT Fund	4.5	5.2

Source: Strategic Insight Simfund GL

International Funds: Q3 2010 Update



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US-Based International/Global Equity Mutual Funds \$ Billion

Structure/Type	Assets \$B 9/10	Net Flows, \$B			
		Q1'10	Q2'10	Q3'10	YTD-9/10
Open-end Active	1,390	23.0	3.8	5.8	32.6
Open-end Indexed	102	4.9	2.9	0.9	8.6
ETFs*	309	1.0	18.0	15.0	33.9
Closed-End	35	0.4	0.0	0.0	0.4
VA Funds	198	1.7	2.1	1.2	5.0
Total	2,033	30.9	26.7	22.9	80.5

Source: Strategic Insight Simfund MF / VA. *ETFs include ETPs, UITs and open-end ETFs; data above includes Gold funds and ETFs.

Flows into US-domiciled International / Global equity funds continued to be strong through the first three quarters of 2010, with total inflows, including VA funds, of \$80 billion.

Part of international equity funds' success was fueled by diversified emerging markets equity funds, both in open-end active funds and in ETFs. And a greater openness to more flexible portfolios helped spur inflows to global asset allocation and international multi-cap funds.

Int'l Equity, US Equity, and World Bond Funds Annual Average Total Returns (Asset-Weighted)

	2006	2007	2008	2009	YTD-9/10
U.S. Equity*	14.19	7.12	-37.90	31.52	4.96
Int'l/Glbl Eqty	24.37	16.65	-41.93	40.48	5.83
World Bond^	7.14	8.94	-0.97	15.04	9.17

Source: Strategic Insight Simfund MF; * Exc. Balanced/Hybrid, Int'l Equity includes Gold; historical data may not match prior reports. ^ Morningstar category.

YTD Through September 2010, international / global funds outperformed US equity funds, but by a small margin.

Actively managed emerging markets funds top the list of highest flow classifications for Q3 2010 as well as through the first nine months, with more than double the net inflows of the next-closest style over both periods (see below). Some of those flows reflected performance-chasing, but flows to international/global equity funds also stem from investors' search for more global diversification – a long-term shift.

Actively Managed Int'l/Global Equity Funds 10 Highest YTD Net Flow Classifications

	Net Flows \$B		Assets \$B 9/10
	Q3'10	YTD-9/10	
Emerging Markets	7.5	15.8	165.9
Intl Multi-Cap Value	1.4	3.9	34.4
Intl Multi-Cap Growth	0.9	3.8	58.2
Intl Multi-Cap Core	0.3	2.9	59.9
Precious Metals	1.0	2.4	30.4
Pacific Ex Japan	0.8	1.3	22.5
Pacific Region	0.6	1.2	4.3
Global Multi-Cap Growth	0.4	0.6	5.3
Intl Sm/Mid-Cap Growth	0.1	0.4	18.0

Source: Strategic Insight Simfund MF; Excludes index funds and ETFs, as well as VA funds.

The table below provides a more in-depth look at flows into emerging markets equity funds, including diversified, regional and single-country funds. Demand in active open-end funds and ETFs ramped up in Q3. Emerging Markets Equity funds have on average outperformed other types of international funds.

US-Based Emerging Markets Equity Mutual Funds* First Nine Months 2010, \$ Billion

Structure/Type	Assets \$B 9/10	Net Flows, \$B			YTD-9/10
		Q1'10	Q2'10	Q3'10	
Open-End Active	201.4	4.5	3.0	8.5	16.0
Open-End Index	18.4	1.1	0.3	0.6	2.0
ETF	145.2	-2.1	6.8	15.4	20.1
Closed-End	9.3	0.0	0.0	0.0	0.0
Total	374.2	3.5	10.2	24.4	38.1

Source: Strategic Insight Simfund MF. *Includes Diversified Emerging Mkts and relevant Regional and Single-Country Funds

International Funds: Emerging Markets

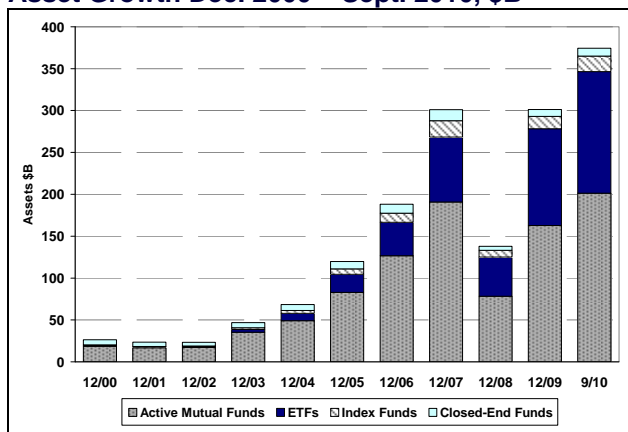


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US-Domiciled Emerging Markets Equity Funds Asset Growth Dec. 2000 – Sept. 2010, \$B



Source: Strategic Insight Simfund MF

Emerging Markets Equity has been the most popular category of equity fund (and most popular ETF of any type) in the US through the first nine months of 2010. The category took in net cash flows of \$38 billion in the first three quarters of 2010, and \$126 billion in cumulative inflows since the start of 2006 (off a base of just \$120 billion at the end of 2005).

Two factors have been driving the impressive flows into this category. Emerging markets economies have, on average, outperformed developed nations' economies post-financial crisis. Those returns have inspired some performance-chasing among investors, but also helped raise this asset class's profile among investors in general. So investors, though still mostly cautious, have been going farther out on the risk curve – emerging markets equities rather than US equities – when allocating capital to “growth” investments.

Although, on average, emerging markets account for somewhere between 5% and 10% of advisor portfolios, that percentage is expected to grow over the long term, particularly as alpha-seeking investors abandon home-country bias. As US investors move towards more globally diversified investing in general, **Emerging Markets Equity is growing as a permanent piece of investors' portfolios.**

In addition to the growth of EM equity funds (including applicable regional and single-country funds), emerging markets make up a portion of diversified global and international funds. International Growth funds, for example, have an average of 12% of their assets in emerging markets, and Global Growth funds 11%. (Even this understates EM allocation because some classifications exclude ADRs from emerging markets.)

The rush to EM has benefited many beta “exposure” vehicles, most notably Vanguard's EM Stock Index fund. But as the table below shows, a diverse group of active equity funds have also drawn inflows, including products from OppenheimerFunds and Lazard.

Highest Cash Flow EM Equity Funds, ETFs First Nine Months 2010

Fund Name	Assets \$B	Ytd-9/10 Net Flows	
		\$B	Rate*
Vanguard Emrg Mkts Stock Index	52.7	14.9	45.5%
Oppenheimer Developing Markets	16.7	3.3	29.8%
Lazard Emerging Markets Equity	17.4	3.1	26.4%
iShares MSCI Emerging Mkt Index	45.1	3.0	7.7%
DFA Emerging Markets Value	10.9	1.5	17.8%
Fidelity Series Emerging Mkts	2.7	1.2	106.5%
Aberdeen Emerging Markets Instl	2.5	1.0	80.5%
New World	19.3	0.9	5.7%
iShares MSCI AllCty As exJp Index	2.3	0.9	74.4%
Matthews Pacific Tiger	5.2	0.8	22.8%

*First Nine Months Net Flows as a % of 12/09 assets.
Source: Strategic Insight Simfund MF

Such broad demand has sparked fund development. **A total of 47 EM equity funds debuted in the first nine months of 2010;** four of them garnered \$100 million or more in net flows, led by the Schwab Emerging Markets Equity ETF with \$160MM in flows (of the year's 47 new EM equity funds, 30 are ETFs).

Firms that have taken the first step to entering the EM equity space by registering open-end active funds with the SEC in recent months include: PIMCO, Janus, Baron Capital, Fred Alger, Henderson Global and Marsico Capital. We expect even more new EM equity funds in 2011 and beyond.

ETF Update: Uptick in Risk Appetite



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Exchange-Traded Funds in the US drew net new flows of \$77 billion in the first nine months of 2010, including \$33 billion in third quarter. That was slightly ahead of the \$64 billion in net inflows that ETFs gathered in 2009's first nine months, so it's possible that 2010 could mark the fourth consecutive year of \$100B+ in net flows to ETFs. **At the end of Sept. 2010, US ETF assets (including ETNs) were \$895 billion** in 1,045 products – up from \$785.4 billion in 976 products in June.

	ETFs By Investment Type				
	Assets \$B 9/10	Net Flows \$B			# of Fnds 9/10
		2009	Ytd- 9/10	Q3 2010	
US Equity					
Diversified	320.4	-14.1	4.6	6.8	265
Sector	103.8	16.4	6.9	3.9	257
Subtotal US Eqty	424.2	2.4	11.5	10.7	522
Int'l/Global Equity					
Diversified	59.1	0.7	3.6	0.0	58
Divsfd Emerg Mkts	89.6	17.0	18.5	11.7	32
Single Country	60.5	12.2	2.1	2.2	88
Regional	17.2	3.0	-0.2	0.6	32
Sector	10.0	2.4	4.1	-0.3	74
Subtotal Int'l/ Global Equity	236.3	35.3	28.2	14.3	284
Bond					
Taxable Bond	133.4	42.8	28.8	8.5	104
Muni Bond	7.6	3.6	1.4	0.3	27
Subtotal Bond	141.0	46.4	30.1	8.8	131
Specialized					
Commodity	87.3	27.9	8.6	-0.5	72
Currency	5.7	4.0	-1.9	-0.4	36
Subttl Specialized	93.0	31.8	6.6	-1.0	108
Total	894.5	115.9	76.5	32.8	1,045

Source: Strategic Insight Simfund MF

Similar to the traditional mutual fund market, the ETF market's inflows this year have been led by bond products: fixed income ETFs drew \$30 billion in the first nine months of 2010, already handily topping the

\$22.5 billion they drew in all of 2008. However, the leading category of ETF flows in Q3 2010 was diversified emerging markets equity: this segment took in \$11.7 billion in Q3, besting bond ETFs' total \$8.8 billion in Q3. In addition, \$2.4 billion flowed into single-country emerging markets ETFs in Q3 2010, led by \$414 million into the WisdomTree India Earnings ETF, and followed by flows to five iShares ETFs investing in Chile, Singapore, Malaysia, Turkey and Thailand.

The third quarter marked an uptick in ETF investors' risk appetite.

There was the aforementioned growth in flows to emerging markets ETFs and a slowdown in flows to bond ETFs (from \$11.3 billion in Q2 to \$8.7 billion in Q3). In addition, gold ETFs, which have seen greater use as safe haven investments, experienced flat flows in Q3, down from \$9.7 billion in inflows in the first half. And domestic equity ETFs saw \$10.7 billion in inflows in Q3, up from roughly \$800 million in the first half; of note in Q3 was \$450 million in that went to two exchange-traded products investing in MLPs, income-focused energy sector plays, and \$614 million going to the Select Sector SPDR Energy ETF.

Most Popular ETFs in Q3 2010

The table below ranks the 10 highest cash-flow ETFs of 2010's third quarter and also lists flows for the first nine months of the year. In the previous quarter the list seemed defensive in nature, with seven bond ETFs and one gold ETF. The Q3 list reflects more appetite for risk, with just four debt ETFs (two of which target high-yield bonds, which often have a higher correlation to stocks).

Highest Cash Flow ETFs in Q3, Ytd 2010

Fund Name	Assets	Net Flows \$B	
	\$B	Q3	Ytd- 09/10
Vanguard Emrg Mkts Stock Index	36.2	6.4	13.3
iShares MSCI Emerging Mkt Idx	45.1	4.1	3.0
PowerShares QQQ	22.1	2.4	2.6
iPath S&P 500 VIX ShrtFtrs ETN	2.4	1.8	2.2
iShares iBoxx \$ HiYd Crp Bd Ix	6.9	1.4	2.2
S&P 500 SPDR	78.0	1.4	-10.3
SPDR Barclays Cpt HiYld Bd ETF	5.9	1.3	2.2
SPDR S&P Dividend ETF	3.5	1.2	2.0
iShares S&P US Prf Stock Index	5.6	1.2	2.2
iShares iBoxx \$ Invst Grd Idx	14.9	1.1	1.0

Source: Strategic Insight Simfund MF

Significantly, the top two funds provide exposure to emerging markets equities. In addition, the S&P 500 SPDR, still the world's biggest ETF, returned to the top

10-flows list for the first time since Q4 2009. And the PowerShares QQQ, traditionally used for tech stock exposure, returned to the top 10 after outflows in Q2.

Volatility: One of the interesting high-cash-flow exchange-traded products is the iPath S&P 500 VIX Short Futures ETN, which invests in short-term futures on the CBOE Implied Volatility Index (VIX). Thanks to its somewhat unique nature as a play on the volatile stock market, and therefore its role as a potential hedge within portfolios, this ETN was able to take in \$1.8 billion in net inflows in Q3 despite returning -65% in the 12 months ended September 2010. This underscores the fact that **for many ETFs, historical returns are often less important** than other characteristics – a difference from the traditional open-end mutual fund market. Expect more volatility products, as Jefferies, Banc of America and Citigroup have all filed with the SEC to launch volatility-related exchange-traded products, and Barclays has also filed for a volatility-hedged equity ETN that would shift its allocated exposure between the S&P 500 and the VIX.

Actively Managed ETFs: Actively managed ETFs had just \$1.9 billion in assets at the end of September, down from \$2.1 billion at the end of June. Of the 29 active ETFs in operation at the end of Q3, only four had \$100 million or more in assets: PIMCO Short Maturity Enhanced, WisdomTree Dreyfus China Yuan, WisdomTree Dreyfus Emerging Currency and WisdomTree Dreyfus Brazil Real. Through the first nine months of the year, this emerging ETF segment saw \$858 million of net new flows in aggregate, although most went to those four biggest ETFs listed and the iShares Diversified Alternatives Trust, the only active iShares ETF. It will be interesting to see the uptake of active ETFs launching in Q4, including the first global tactical asset allocation ETF, the Cambria Global Tactical ETF.

Emerging Markets ETFs

While diversified emerging markets equity ETFs saw \$18.5 billion in inflows in the first nine months of the year on the heels of \$17 billion in inflows in 2009, the flows to emerging markets ETFs was larger if relevant single-country, regional and global sector ETFs are included. All together, these emerging markets equity ETFs enjoyed \$29 billion in net inflows in 2009 and \$20.1 billion in net inflows in the first three quarters of 2010. They held a total of \$145.2 billion in assets at the end of September, double the \$77.4 billion they held at the end of 2007. The biggest portion of that \$145 billion was \$89 billion in diversified emerging markets equity funds, as some investors use ETFs to gain simple beta exposure to the asset class. But the second-biggest portion was single-country equity ETFs, a category that includes the biggest

single-country EM ETF, the \$10.4 billion iShares MSCI Brazil Index ETF, and the number two, the \$8.5 billion iShares FTSE/Xinhua China 25 Index ETF. Also notable: the biggest EM market cap play is the \$950 million Van Eck MarketVector Brazil Small Cap ETF; the biggest EM sector equity ETF is the \$149 million PowerShares Emerging Markets Infrastructure ETF; and the biggest fundamentally weighted EM ETF is the \$470 million PowerShares FTSE RAFI Emerging Markets ETF.

Emerging Markets Equity ETFs By Type

	Assets \$B 12/07	Net Flows \$B			Assets \$B 9/10
		2008	2009	YtD- 9/10	
Dvsfd EM Equity	37.6	8.8	16.4	18.4	89.1
Singl Country Eq	20.9	1.1	7.4	2.7	32.3
Pacific w/o Japan	4.6	0.4	1.6	0.6	7.4
Global Eq Sector		0.0	0.1	0.1	0.2
European Equity	0.1	0.0	0.1	0.0	0.2
Global Growth			0.0	0.0	0.0
Latin Amer Equity	3.2	0.4	1.0	-0.4	3.0
China Equity	11.1	2.9	2.3	-1.2	13.0
Total above	77.4	13.5	29.0	20.1	145.2

Source: Strategic Insight Simfund MF

Expect more emerging markets equity ETFs. In recent months, Rydex has filed with the SEC to launch four equal-weight EM equity ETFs; Deutsche Bank filed to launch two currency-hedged EM ETFs (plus three other currency-hedged international ETFs) and Global X filed to launch growth and value EM equity ETFs.

Biggest ETF Managers

Top 10 ETF Managers as of Sept. 2010

Manager	Assets	Market	Net Inflows
	Sept.'10 \$B	Share Sept.'10	YtD -Sept'10 \$B
BlackRock	411.7	45.9%	21.0
State Street Global	205.5	22.9%	3.7
Vanguard	125.8	14.0%	25.8
InvescoPowerShares	39.7	4.4%	4.4
ProFunds	24.6	2.7%	4.5
Van Eck	16.5	1.8%	2.1
Bank of NY Mellon	10.4	1.2%	1.0
DB Commodity Svcs	9.7	1.1%	-2.7
Barclays Capital	8.4	0.9%	2.8
WisdomTree Asset	8.3	0.9%	1.3

Source: Strategic Insight Simfund MF

The US ETF market remains concentrated, with the top three managers controlling 83% of US ETF assets, and the Top 10 managers controlling 96% of assets.

National Broker Dealer: Commission vs. Fee-Based Sales



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The first half of 2010 encompassed significant shifts in both financial markets and investor sentiment. The improving market attitude of March and April gave way to renewed global economic uncertainty during the latter part of May and June. Within the National Broker Dealer (NBD) space, shifting investor demand across fund types and platform structures has offered interesting current and forward-looking insights into investor and financial advisor (FA) sales trends.

This article summarizes some of the important macro-level findings from our continued joint research series with Coates Analytics, *National Broker Dealer Product Strategy & Distribution Trends*. To provide further insight into the valuable ongoing content contained in this unique quarterly report series, **we have also made the full Q2'10 version available to all SI Online subscribers (click [here](#) to access the full Q2 study)**. [For information about subscription options moving forward, contact Dan Weinerman – dweinerman@sionline.com; 212-217-6897.]

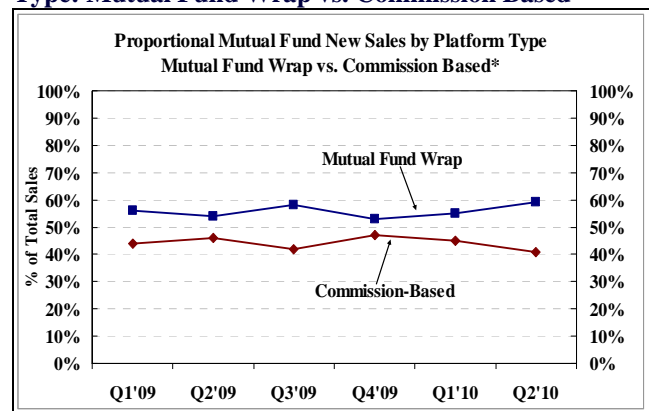
We also examine some of the key highlights from our recently published Executive Insight report, *Financial Advisors In Transition*, analyzing both historical and forward-looking FA-level sales trends of NBD advisors who transitioned new business toward the commission-based platform structure during 2009.

Commission-Based vs. Mutual Fund Wrap Platform Sales

One of the important trends which we have been monitoring within the National BD marketplace is the relationship between fund sales via commission-based and mutual fund wrap platforms. The overarching movement toward fee-for-advice as the primary compensation structure for financial intermediaries remains an important secular trend affecting fund distribution. Amid high levels of post-crisis economic

turmoil and investor uncertainty, however, 2009 did see an increase in sales to commission-based programs within NBDs – as investors and advisors used this platform structure as an avenue for income-investing (mainly via short duration taxable and tax-free bond funds). During the first half of 2010, such commission-based sales began to retreat as wrap programs garnered a larger proportion of new sales at NBDs (as captured in the graph below). Even as overall commission-based sales declined, however, these platforms have continued to offer opportunities to income-producing funds and their managers.

Proportional Mutual Fund New Sales by Platform Type: Mutual Fund Wrap vs. Commission Based*



Source: Coates Analytics Distribution Management System / SI Analysis
 *Note: Reflective of data from national broker dealer firms with both commission-based and wrap platform data captured in Coates Analytics Distribution Management System.

The relationship between sales via these competing platform structures has come under increased focus recently after the SEC's release of its proposed amendments to Rule 12b-1. Moving forward, the long-term shift toward fee-based sales will inevitably be helped by BDs' and FAs' adaptation to new fiduciary standards as well as the implementation of Rule 12b-2 and other proposed regulatory actions.

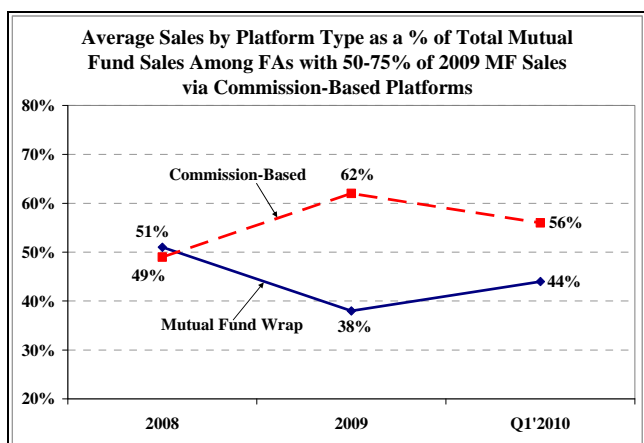
Under the SEC's current 12b-2 proposal, grandfathered assets will continue to collect the same fee revenue through 2017. However, the proposed Rule 12b-2 would cap ongoing sales charges collected by FAs within class "C" shares. This will likely cause some advisors who had traditionally structured large portions of their sales within "C" shares in commission-based platforms to proactively transition their business toward the fee-based model. From a conceptual level, however, the preferences of FAs and investors during the post-crisis serve as a reminder that the commission-based avenue continues to be an appropriate and cost-effective means for certain investors, as well as an important tool for many FAs in flexibly managing their

clients' investment portfolios and overall financial needs across different market environments.

Financial Advisors in Transition

Lingering financial and economic anxiety that will likely extend into 2011 suggests that FAs will continue to look for mutual funds that enable them to maintain and strengthen client engagement, as was quite evident in 2009 and this year. This explains one reason why sales of short and ultra-short duration bond funds within commission-based platforms at NBD firms rose considerably during 2009 amid investor uncertainty and a near-zero yield cash environment.

Interestingly, a closer examination of FA-level sales trends shows that **a large subsection of such commission-based sales came via FAs who had historically emphasized wrap-fee sales**. SI utilized data from Coates Analytics' Distribution Management System to analyze a peer group of high-producing NBD advisors (those with over \$500k in mutual fund sales during both 2008 and 2009) who had 50%-75% of their total mutual fund sales go to commission-based platforms during 2009. Among this group, one-half relied on commission-based platforms for *less than* 50% of their sales in 2008. In addition, during the short window of improved retail investor sentiment toward equity funds in Q1'2010, the FAs within this peer group notably increased their average share of sales back to mutual fund wrap platforms (at the expense of commission-based sales), as seen in the graph below.



Source: Coates Analytics Distribution Management System / SI Analysis
 *Note: Reflective of data from national broker dealer firms with both 2008 & 2009 commission based and wrap platform data captured in DMS. Includes 867 FAs with >\$500k of long-term mutual fund sales in both 2008 and 2009, who also registered sales during Q1'10.

The trends of Q1'2010 exemplify the direction and makeup of potential future movements among FAs transitioning their new business back toward riskier

investment strategies and away from a heavy reliance on shorter-term “income substitution” plays. These shifts affect both platform structure and product type sales. A closer examination of the above-mentioned trends and the evolving demand of such FAs illustrate opportunities moving forward for fund firms to capitalize on FAs and assets “in motion”:

- Increased use of mutual fund wrap programs among our FA peer group during Q1'2010 went hand-in-hand with a significant rise in average sales to US Equity and International/Global Equity funds within wraps. Sales to equity funds within such programs picked up the largest gains as a percentage of these FAs' overall fund sales during the quarter.
- Within this shift, none of the three US Large Cap Equity investment styles (Value, Core, Blend) experienced rebounding demand during Q1'2010. Conversely, Global Equity, Specialty Equity and Long/Short Equity were among the categories leading equity sales within wrap programs among these FAs.

These demand trends toward more broadly mandated and non-traditional investment strategies suggest that **FAs transitioning business back toward wrap programs may be taking a new approach to constructing the “core” of their clients' asset allocation portfolios** – a reassessment also implied by industry-wide mutual fund flows.

From a business structure perspective, these trends also suggest that transitioning FAs appear to be moving business toward more open-architecture wrap platforms, where they and their clients control the investment selection process. This, in turn, allows fund managers greater ability to directly influence product decisions by such FAs.

The post-crisis market environment continues to evolve, both from a demand perspective and a regulatory perspective (i.e., Rule 12b-2, fiduciary standard, etc.). As a result, assets will continue to be in transition to fee-based platforms as many FAs work to organize their business appropriately moving forward. This provides an opportunity to fund firms: understand the demand trends of transitioning FAs and structure product positioning and communications in ways which not only inform and educate these advisors, but also fit into how these FAs would like to grow their business in the future.

Fees & Expenses: Sub-advisory Fees



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Recently, Strategic Insight published an Executive Insight report exploring management fees of sub-advised funds and how they compare to the management fees of funds that do not use a sub-advisor (SI clients can access that report [here](#)). **For the purposes of the study, a “sub-advised” fund was defined as a fund having a “sub-advisor” or “advisor” that was unaffiliated with the fund’s manager, in order to exclude the possible special considerations in affiliated relationships.**

There’s roughly \$1.4 trillion in sub-advised mutual fund assets. Over the past five years, assets held by actively managed sub-advised funds in the U.S. have increased approximately 13%. Notably, net inflows to bond and stock funds that are sub-advised exceeded \$60 billion for full-year 2009 and the first eight months of 2010 (collectively). The above numbers reflect open-end and closed-end funds, exchange-traded products, and variable annuity underlying funds.

The report breaks down the data into five investment style groupings (large cap, mid cap, small cap, foreign large cap, and specialty stock). In the majority of cases, **sub-advised funds were found to carry a higher net management fee, on average, than non sub-advised funds.** The differential in fee ratios between sub-advised and non sub-advised funds varied, but its **median value was 0.10%.** (Of course, not all individual sub-advised funds charge a net management fee higher than their peer group’s median).

The generally consistent, modestly higher management fees of sub-advised funds in our analysis found can be balanced against the **belief that, in many cases, the value of sub-advised funds’ “best-of-breed” proposition offer far exceeds the small additional costs;** and if a sub-advised fund’s performance excellence propels a growth in assets, economies-of-scale can subsequently deliver lower total expenses.

Recently, we reviewed sub-advisory fee schedules changes over the past 18 months and found downward

pressure on both newly negotiated sub-advisory fee contracts as well as renegotiating of existing contracts. Possible explanations for the downward pressure are excess capacity in the marketplace and greater competition among sub-advisors. SI is in the midst of a more extensive analysis of the sub-advisory fee schedule changes and expects to publish further research findings in the coming months.

Moving away from the fees retained by the advisor, we continually monitor and benchmark sub-advisor fees. The following table presents the median sub-advisory fee by domestic equity style box:

Median Sub-advisory Fees and Approximate Current Assets, by US Equity Style			
Large Cap	0.350%	0.350%	0.400%
	\$94B	\$94B	\$121B
Mid Cap	0.425%	0.425%	0.500%
	\$23B	\$8B	\$29B
Small Cap	0.600%	0.500%	0.500%
	\$13B	\$22B	\$18B
	Value	Blend	Growth

Source: Strategic Insight Simfund MF and Simfund VA

Another emerging topic of discussion with regard to the growing sub-advisory fund industry segment is how much of the advisory fees charged to investors are retained by the fund management company, i.e. what portion of the advisory fees is left after the fund’s single or multiple sub-advisors have been paid by the management company.

At times, such inquiries originate from the fund management companies. In other cases, fund managers may be interested in such benchmarking in anticipation of a Board review. (Questions raised may include: Are the sub-advisory fees paid sufficient to attract portfolio management teams of the right caliber? Where can asset growth and the resultant economies-of-scale lead to overall fee reductions in sub-advised funds?)

The results of our analysis, found in the report in pages 9-13, are broken down along five investment style groupings and expressed in both basis points and as a percentage of the gross management fee. Please note that gross management fees, used to include the entire universe of sub-advised funds, include fund administration. Only about 60% of funds report a separate advisory and administrator fee.

Closed-End Funds: Growing Innovation



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The US closed-end funds market is active again. This segment of the fund industry got hit hard by the financial crisis of 2007-09, including a freeze in the market for Auction-Rate Preferred Securities (ARPS), hybrid securities widely used for leverage in closed-end portfolios. In 2008, just two closed-end funds went public, raising a combined \$250 million – the worst year for closed-end fund IPOs since 2000. But in 2009, 14 CEFs came to market, raising a total \$2.5 billion. **And during the first nine months of 2010, 11 CEFs have gone public, raising \$5.4 billion.** The rebound in close-end IPOs mirrors the rebound in overall IPO activity since Q2 2009, although CEF launch activity doesn't always track the broader IPO market.

Closed-End Funds: \$5.4B in New Flows YTD

	IPO Proceeds \$B		Total Assets \$B	
	2009	YTD-09/10	Dec. 2009	Sept. 2010
Domestic Equity	0.4	2.3	55.6	59.0
Int'l Equity	0.0	0.4	34.1	34.5
Taxable Bond	1.1	2.8	61.9	67.5
Muni Bond	1.0		80.7	85.4
Total Above	2.5	5.4	232.4	246.4

Source: Strategic Insight Simfund MF

Strategic Insight tracks \$246 billion in closed-end funds as of September 2010, up from \$198 billion at the end of 2008 – though down from their peak of \$324 billion at the end of October 2007.

Sentiment toward closed-end funds has improved, as seen by contractions in market-price discounts to NAV (which averaged around 2%-3% prior to the 2007-2009 crisis); median CEF discounts have dropped from 10%+ in late 2008 and early 2009 to just over 1% in August and September, according to Lipper.

Part of the improved sentiment can be attributed to the 10% average returns of equity CEFs and 12% average returns of bond CEFs in the first nine months of the year. In addition, the broader demand for income in the fund universe has helped closed-end funds, which tend

to be used as vehicles for current income (due at times to the benefits of leverage).

Closed-end funds IPOs so far this year have featured larger and more diverse offerings than in 2009. Last year's biggest IPO raised \$334 million. This year saw \$1 billion+ IPOs for the first time since 2007.

Closed-End Fund IPOs, 1st Nine Months of 2010

Portfolio	Objective	IPO Net Proceeds \$MM
ClearBridge Energy MLP	Nat Resources	1,059
Tortoise MLP Fund	Nat Resources	1,012
BlackRock Build America Bond	Gov't General	969
First Trust Hi Inco Long/Short	Hi Yield Bond	615
Nuveen Build America Bond	Gov't General	448
ING Infrastr, Indus & Materials	GI Eqty Sector	353
Blackstone/GSO Sr Float Rate	Co. Prime Rate	267
Eaton Vance TaxAdv Bnd&Optn	Income - Mixed	191
Western Asset Mtg Defnd Opp	Co. Bond Genl	181
Federated Enhncd Trsry Inco	Gov't General	170
Nuveen Mtge Opp Term Fnd 2	Gov Mtg Back	115
Total Above		5,379

Source: Strategic Insight Simfund MF

The new closed-end funds of 2010 reflect a greater appetite for innovative, less-traditional strategies.

They included three equity funds – two of which invest in MLPs, which are income-oriented vehicles – and a greater variety of bond strategies than 2009. These included IPOs of two funds dedicated to Build America Bonds (which offer higher interest rates than ordinary muni bonds), in a year with no traditional muni CEF debuts. First Trust launched a fund investing in high-yield bonds that can position itself up to 130% long and up to 30% short, and Eaton Vance launched a fund that incorporates long and short equity index options strategies. And Nuveen and CEF newcomer Blackstone Group launched funds with limited term structures aimed at restricting discounts to NAV.

Closed-end funds remain an intriguing structure that's well-suited to less-traditional and less-liquid securities – a capability that can be explored much further. Non-traditional closed-end funds that have been filed with the SEC in recent months but have yet to launch include: a long/short bond fund from Blackstone Group; a tactical asset allocation strategy from RiverNorth Capital; an emerging markets debt fund from Stone Harbor; and a hedged equity fund filed by John Hancock. We expect more innovation in this space in 2011 and beyond.

Variable Annuities: SALB, Slow Starter?



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The standstill in standalone living benefits (SALBs) has led some to believe that this innovative product is a non-starter. Yet, we see continued signs of life and predict that these emerging products will find their niche. Early SALBs timing during the recent crisis limited their appeal, but we now begin to see greater stirring in the field.

SALBs provide a guarantee on assets outside of an annuity and potentially expand the reach of these benefits that have revitalized the VA industry. Many have believed that advisors and consumers who shy away from VAs would more readily embrace guarantees if offered in association with other assets.

Complications and Delays

SALBs are complicated, and issuers, regulators, and distributors alike have to feel comfortable with the idea before even offering it to the public. Most insurers' predilection to follow (a successful new idea) rather than lead – also contributed to delayed releases of the first SALBs in early-to-mid 2008.

The financial crisis caused insurance companies to reassess their approaches to offering coverage for equity risk. Allstate, the first on the scene, pulled up stakes on its SALB in a move that was completely unrelated to the product itself. Genworth decided to shift emphasis from its VA business (and, by association, SALBs) elsewhere.

Phoenix has struggled with ratings, forcing the company to assume a new strategy that relies heavily on SALBs but has required a lot of patience as the company reaches out to new distributors. Nationwide is the other early entrant and, while benefitting from solid ratings, has yet to find its stride with SALBs.

The perception of inactivity on SALBs is exacerbated by the regulatory process. Prospectus review by the SEC has slowed, particularly for products outside the mainstream. Even among VAs, we have noted instances in which the agency has been slow to act.

Perhaps the clearest sign of life for SALBs is the introduction of a new product by a new entrant, Great-West Life. The company's guarantee is layered on top of a series of in-house target date funds, both called SecureFoundation. Intriguingly, SecureFoundation is being offered within 401(k)s. All previous SALBs have been retail only, most of them aimed at managed accounts. Within the retirement plan space, all of the other guarantees have been on the VA chassis.

Great-West has also created a retail roll-over product for SecureFoundation to accommodate plan participants who elect to roll assets into an IRA. Since New York State's Department of Insurance has declared that it will not approve any SALBs, this product is currently not available there or in several other states that have been resistant to the idea. A coalition of insurance companies is working to change the laws and make SALBs saleable in New York.

According to the company, the response to SecureFoundation has been extremely good, with many plans bringing on the new product and healthy flows onto the platform. Early positive signs for Great-West are encouraging not only for the idea of SALBs in retirement plans but for the category as a whole.

Looking Ahead

SALB products may be waiting for the right combination of design, manufacturer, and distribution in order to find success. For example, the current products all rely on set asset allocation models (there may be some latitude for variation, but very little). A custom allocation model that allows advisors more freedom to pick investments within stated guardrails might appeal more to advisors who are used to serving as fund pickers.

Also, AllianceBernstein has been working on a multi-insurer product that would relieve some of the concern about the counterparty risk associated with individual insurers. This solution might play particularly well within the retirement plan market, where plan sponsors are especially focused on the liability of picking an insurance product.

We look forward to seeing the market for SALBs grow, albeit slowly --- not as a replacement for VAs but as a means to extend VA style guarantees to new markets.

Observations from SI's Oct. Conference



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On October 18, 100 investment management executives from 60 organizations gathered in New York for the 2010 Strategic Insight Future of Funds Conference. The theme of the 1-day event was product innovation.

Panels and presentations covered major topics such as what fund distributors want in product, how firms develop innovative funds and how target-date funds are evolving. This article summarizes just a selection of key observations from the panel discussions.



The Perspective of Fund Distributors

Our conference featured a panel of key decision-makers/gatekeepers from large broker-dealers: Merrill Lynch, Edward Jones and Raymond James. Among the big trends that they are seeing, all three executives emphasized the voluminous flows they've been seeing into short-duration bond funds – and expressed concerns that some investors and financial advisors are not sufficiently aware of the risks of bond funds, especially those short-duration bond funds that are mispositioned as money-fund alternatives. On the regulatory front, all noted that the high initial anxiety around proposed reform of 12b-1 fees (Rule 12b-2) has subsided as it became clear that the SEC intends to permit the continuing the 0.25% fee for marketing and distribution costs. Also:

- Edward Jones is broadening the range of models available for FAs: its 12 active/passive models, introduced in August, are seeing some uptake, sending some flows to ETFs. And there's some traction from recently launched research group-driven portfolios aimed at commission-based FAs.
- The firms are interested in wholesalers who pitch solutions-based approaches. At Raymond James in particular, they appreciate wholesalers who offer solutions suited to FAs' needs, and they recommend wholesalers asking branch managers which FAs have needs that their funds can meet.



SIFFC Attendees Mingle



The Product Distributor Panel

- Panelists expressed mixed feelings on "alternative" '40 Act funds, including long/short and absolute return funds. Some distributors see interest only around the fringes, and also note that "alternatives" is actually several categories in one. At Merrill Lynch, there's interest in alternative mutual funds that can provide downside protection, and while the firm has a box in asset allocation models for true alternatives, it is working on one for '40 Act alts.

The New Era of Product Innovation

The panelists – representing Columbia Management, Goldman Sachs and SEI – believe that the industry is going to see even more product innovation in the post-crisis environment, reacting to the high correlation of asset classes in the downturn: hence, there'll be more emphasis on flexible and go-anywhere funds, on products incorporating different types of beta for less correlation, and on the risk/return profile of a portfolio and not just of individual products. Other highlights:

- When bringing institutional-type products to the retail audience, retail-oriented fund firms have to consider liquidity, valuation (especially of illiquid holdings), and regulatory restrictions that affect portfolio traits. Get auditors involved early in product development, panelists urged. Institutional firms looking to the retail market must grapple with how much of the institutional experience they can recreate within the limitations of the '40 Act.
- The schedules of product-development committee meeting vary from firm to firm, from one quarterly meeting all the way to three or four meetings per week (among several related committees).
- New products' success can be measured partly in terms of dollars, but also in terms of whether they extend the fund firm's dialogue with investors.
- Creating and sustaining a culture of innovation requires asking employees for their input all the time, on new and existing products, and encouraging them to challenge assumptions. Also, show personnel that their ideas are getting a hearing.

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- Best practice analytics on targeting sub-advisory opportunities

Research and Consulting Services

StrategicInsightGlobal.com
For Investment Companies Worldwide

- Monthly flow data on fastest growing funds in Asia and Europe
- Research and consulting on more than 20 countries
- In-depth analysis of Industry Developments
- Opportunities for Marketing and Distribution
- Product Development Ideas and Benchmarking



Slonline.com

- Online Library of On-Going Reports
- Past studies since 1994 archived
- Trends, Product, Distribution, Fees

Fee and Expense Consulting

- Interpreting the Data
 - Analytical Integrity
 - Hard to Find Historical Data
 - Integration with SEC Edgar
- Consulting**
Industry Trends, Strategy, Marketing and Distribution, On-line Industry Briefings

On Demand Research

Responsive Solutions for your information needs

Board of Director Services

- Prism Review: 15(c) Analytics (Advisory Contract Renewal)
- On Demand Reports