Issue 6
4th Quarter 2002

January 31, 2003

# Asset Management Focus
# Freeman & Co.

## Inside this issue:



## Indices at January 31, 2003:

| | |
|---|---|
| DJIA | 8,053.8 |
| NASDAQ | 1,320.9 |
| S&P 500 | 855.7 |
| FTSE 100 | 3,567.4 |
| 10 Year US Treasury Bond Yield | 3.97% |
| Euro to dollar | $0.93 |

## 2002 Year End Summary

The past year saw a dramatic drop in asset management deal activity, with the number of companies acquired (115) dropping to 1999 levels and AUM acquired ($476 billion) dropping to 1998 levels. This drop has occurred across all deal sizes and has lead to a near absence of any deals over $50 billion AUM.

While equities had another terrible year, fixed income and hedge funds performed relatively well. With this tailwind, we believe strategic partnerships and deals in 2003 will be focused on alternatives and fixed income. We also expect a number of deals in 2003 due to corporate divestitures of prior acquisitions; However, we believe the number of employee-owned equity firms for sale in 2003 will be small.

**Performance as of December 31, 2002**

| Index | Total Return 4Q 2002 | Total Return Trailing 12 Months | Total Return Annualized 3 Yr | Total Return Annualized 5 Yr |
|---|---|---|---|---|
| **S&P 500** | 8.4% | -22.1% | -14.6% | -0.6% |
| **NASDAQ** | 14.0% | -31.5% | -31.0% | -3.2% |
| **FTSE 100** | 5.9% | -24.5% | -17.2% | -10.7% |
| **LBGC*** | 1.7% | 11.0% | 10.4% | 7.6% |
| **HFRI FoF**** | 1.4% | -1.2% | 2.8% | 7.9% |
| **CSFB/Tremont***** | 2.1% | 3.0% | 4.1% | 6.8% |

*Lehman Brothers Govt./Credit Index ** Hedge Fund Research Institute Fund of Funds Index ***CSFB/Tremont Hedge Fund Index*

## Summary

Our key findings are:

- The number of companies acquired in the 4th quarter hit a five year low with only 18 acquisitions announced. This represents a decline of 42% over the 3rd quarter and a 38% decline as compared to the 4th quarter of 2001
- For the full year there were 115 asset management acquisitions announced, representing a decline of 22% compared to 2001's total of 147
- There were seven US acquisitions announced in the 4th quarter, the largest of which was Lehman Brothers' acquisition of Lincoln Capital Management, a fixed income manager with $30 billion in AUM
- For the full year there were 38 acquisitions involving companies with greater than $1 billion in AUM compared to 52 acquisitions of similar size in 2001 and 73 in 2000
- The number of multiple buyers of asset management companies in 2002 was 11, a decline of 45% compared to 20 multiple buyers in 2001. In 2002 multiple buyers accounted for 24 acquisitions during the full year
- There were five strategic partnerships formed in the 4th quarter involving alternative investment managers, three of which were acquisitions
- Returns for hedge fund of funds generally were positive, with most hedge fund indices posting 1-3% returns; Max Re's Diversified Strategies returned 4.15% for 2002
- For US public companies tracked, total AUM has been relatively stable at $1.8 trillion, but market capitalization over the past year is down from $57.3 billion to $49.5 billion


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## Global Asset Management Transactions

The third straight year of declines in the equity markets has taken its toll on the level of asset management deal activity. After a record 150 acquisitions in 2000, the total number of companies acquired fell only slightly to 147 in 2001 despite the market declines. In 2002, however, the number of acquisitions fell nearly 22% to 115. In previous research notes we have highlighted the decline in deal size, as measured by assets under management. This year's data highlights a decline in both deal size as well as deal activity. The 4th quarter produced the fewest number of asset management acquisitions in 5 years with only 18 companies being acquired. This represents a decline of 42% over the 3rd quarter and a decline of 38% as compared to the 4th quarter of 2001.

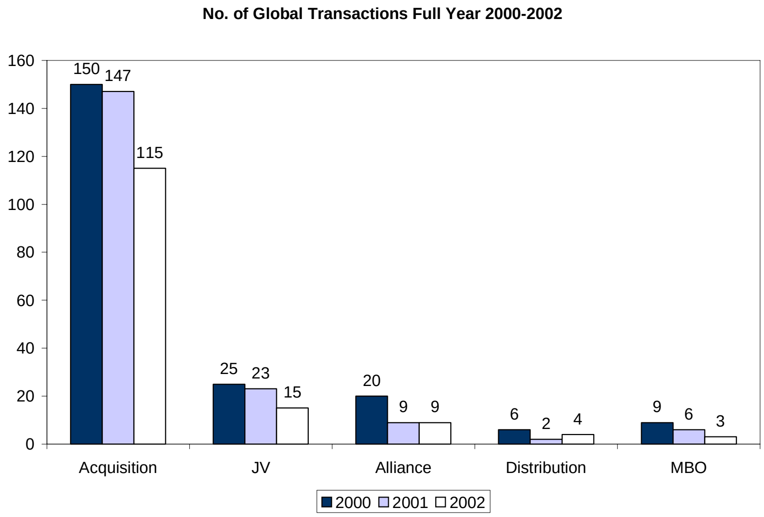
The decline in activity was not only limited to acquisitions, but joint ventures as well. The number of JVs fell 35% in 2002 as compared to full year 2001. Alliances remained constant and distribution arrangements increased slightly.

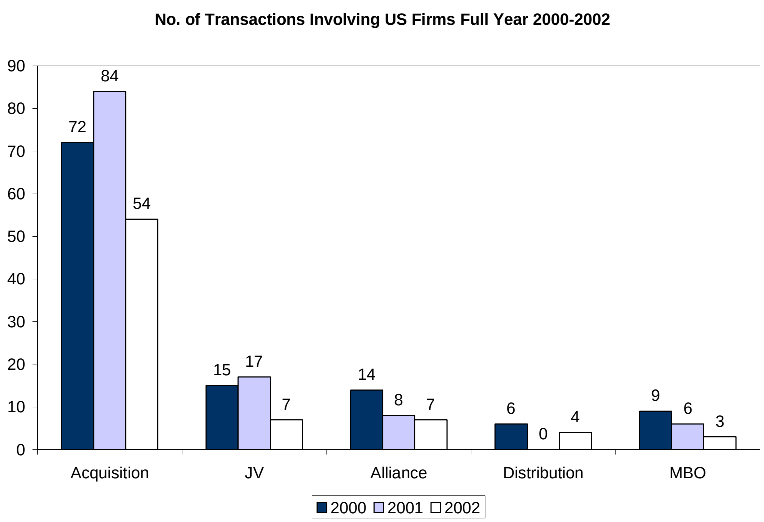
Currently, it is difficult to predict a recovery in deal activity. We consider 2000 to be a highwater mark that came at the end of a multi-year bull market, while the 2002 activity may represent a nadir in deal volumes. Over the next year we expect activity to be concentrated among (1) corporate divestitures of prior acquisitions, (2) fixed income managers and (3) alternatives, particularly fund of fund managers. Due to the decrease in the equity markets, we do not anticipate many equity focused firms that are employee-owned to consider selling now. However, as deals become delayed and key employees age, we may experience a build-up of inventory for deals in 2004 if markets turn.

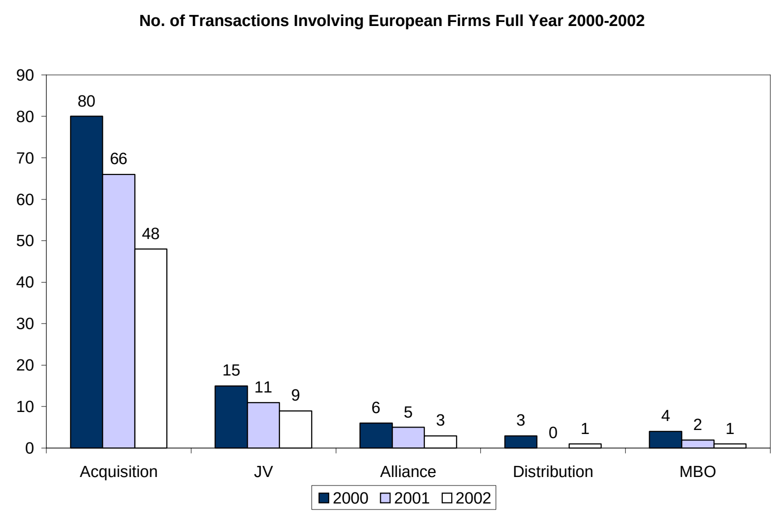
## Regional Activity

A trend we have highlighted in our recent research is the increase in regional acquisitions. In the past few quarters we have seen an unwillingness of buyers to venture out of their home territory and the trend continued this quarter. All of the acquisitions this quarter were intra-continent and all but one of the acquisitions was intra-country. The only deal that crossed international borders was the acquisition of Antilooppi Oy, a Finnish real estate manager, by Aberdeen Asset Management Plc. State Street Corp acquired a US recordkeeping unit from Deutsche Bank, but since the scope of the acquired business was entirely US, we have not classified this as an international deal.

We believe that acquisitions will continue to be focused along regional or country themes, particularly with corporate divestitures where geographic overlap can lead to higher levels of cost savings in back-office, distribution and other services. Since most cross-border deals are driven by growth trends and suffer from sub-optimal volumes or AUM in the beginning, it is highly unlikely that any deals of this nature will be undertaken in 2003.




Source: Freeman & Co.

# US Companies acquired in the Fourth Quarter

**4th Quarter 2002 US Companies Acquired**

| Month | Year | Target | Acquirer | Total Deal AUM ($MM) |
|---|---|---|---|---|
| 10 | 2002 | Whitehall Asset Management | Amvescap Plc | 1,500 |
| 11 | 2002 | Alpine Management & Research | Saxon Woods Advisors | NA |
| 11 | 2002 | Woodland Partners | Gabelli Asset Management | 250 |
| 12 | 2002 | Lake Forest Capital Management Co | Wintrust Financial Corporation | 300 |
| 12 | 2002 | LibertyView Capital Management | Neuberger Berman Inc. | 1,000 |
| 12 | 2002 | Lincoln Capital Management | Lehman Brothers Holdings Inc. | 30,000 |
| 12 | 2002 | Noddings Investments | First Albany Asset Management | NA |

There were only 7 US-based managers acquired in the fourth quarter, the largest of which was Lincoln Capital Management, a $30 billion fixed income manager acquired by Lehman Brothers. All of the acquirers of US-based companies in the 4th quarter were making their first acquisition of the year, and many were their first acquisitions in some time. Amvescap Plc which was one of the largest buyers in 2001, with three deals for $27 billion in AUM, made its only acquisition of the year buying Whitehall Asset Management from the Industrial Bank of Japan (corporate divestiture). Also missing from the list of buyers are usual firms such as Legg Mason and Affiliated Managers Group, which supports our view of a slowdown driven by delays in sale discussions by employee-owned firms until growth and deal multiples improve.

There was a decrease in the number of firms making multiple acquisitions in 2002 (11 firms) compared to 2001 (20 firms), representing a decline in the number of multiple buyers of 45% year over year. These multiple-deal companies accounted for only 24 acquisitions in 2002 as a group, compared to a total of 49 acquisitions by the multiple buyers in 2001.

**Number of 2002 Multiple Buyers**

| Year | # of Acquisitions | Value of % Bought ($MM) | Total Deal AUM ($MM) |
|---|---|---|---|
| Dundee Wealth Management | 3 | $122 | $5,711 |
| Mellon Financial Corp | 3 | | $1,920 |
| Robeco Group NV | 2 | | $9,301 |
| Bank of New York | 2 | | $5,700 |
| Royal Bank of Canada | 2 | $90 | $4,400 |
| First Republic Bank | 2 | $15 | $3,200 |
| Prudential Financial Inc | 2 | $128 | $1,862 |
| Man Investment Products | 2 | | $1,700 |
| ABN Amro Holding NV | 2 | | $936 |
| Exeter Investment Group Plc | 2 | $0.4 | |
| Aegon NV | 2 | | |

**Number of Acquisitions Globally by AUM Size**

| AUM Deal Size | 1998 | 1999 | 2000 | 2001 | 2002 |
|---|---|---|---|---|---|
| > $100 billion | 0 | 1 | 5 | 1 | 1 |
| $50-100 billion | 2 | 1 | 6 | 2 | 2 |
| $10-$50 billion | 10 | 9 | 12 | 12 | 6 |
| $5-$10 billion | 9 | 9 | 12 | 11 | 7 |
| $1-$5 billion | 18 | 35 | 38 | 26 | 22 |
| **Total** | **39** | **55** | **73** | **52** | **38** |

| | | | | | |
|---|---|---|---|---|---|
| No. of Acquisitions | 103 | 114 | 150 | 147 | 115 |
| Average Size | 4,658 | 6,006 | 11,442 | 5,713 | 4,147 |
| Median Size* | 1,000 | 1,300 | 2,000 | 1,560 | 1,250 |

**Median deal size calculated using only deals with reported AUM*

Source: Freeman & Co.

Acquisition size declined for the second straight year with the average AUM transaction size falling to $4.1 billion from $5.7 billion in 2001, representing a decline of 27%. The 2002 average AUM deal size is down 64% from the high in 2000 of $11.4 billion. Median deal size fell 20% from $1.56 billion AUM in 2001 to $1.25 billion in 2002; the peak median deal size in 2000 was $2.0 billion AUM. The medial deal size seems to track closely the decline in the major market indices.

The number of large-scale acquisitions has nearly come to a halt since 2000, when there were 5 acquisitions with greater than $100 billion and 6 acquisitions above $50 billion. For 2002 only three deals topped the $50 billion mark, and the only deal above $100 billion involved low-yielding index assets (sale of Deutsche Bank's index business to Northern Trust). It may be that we have returned to historical norms, where the industry sees only 2-4 deals per year involving greater than $50 billion AUM.

Only 33% of the asset management acquisitions announced in 2002 had AUM greater than $1 billion. This was in line with the 35% total for 2001, but significantly less than 2000's total when nearly half (49%) of the acquisitions involved targets with greater than $1 billion in AUM.

# Global Acquisitions—Assets Acquired by Seller Region

**Asset Acquired by Seller Region ($MM)**

| Region | 1998 | 1999 | 2000 | 2001 | 2002 | Average |
|---|---|---|---|---|---|---|
| Africa | 34,910 | - | 28,900 | - | 11,700 | 15,102 |
| Asia | 68,982 | 82,244 | 28,802 | 26,842 | 6,797 | 42,733 |
| Canada | 11,600 | 8,304 | 43,181 | 48,152 | 33,830 | 29,014 |
| Europe | 126,422 | 160,057 | 667,646 | 115,454 | 322,890 | 278,494 |
| South America | 8,285 | 19,062 | 2,122 | 2,047 | 3,683 | 7,040 |
| US | 229,605 | 415,067 | 945,624 | 647,321 | 97,967 | 467,117 |
| **Total** | **$479,804** | **$684,734** | **$1,716,275** | **$839,816** | **$476,866** | **$839,499** |

Source: Freeman & Co.

Total assets acquired globally fell significantly for the second straight year. Total AUM acquired decreased 43% over 2001 and a drastic 72% over the industry peak of $1.7 trillion in 2000. This year's total of $477 billion was the lowest amount since 1996 based on our research; if we excluded the Deutsche Bank sale of its indexed assets, the sale of actively managed assets would reach only $356 billion.

Assets sold in Europe represent a $207 billion increase since last year and almost triple the amount of assets sold in the US ($98 billion AUM). The assets sold by US firms has fallen by 90% from the peak year in 2000 when firms such as UAM and Nvest were sold.

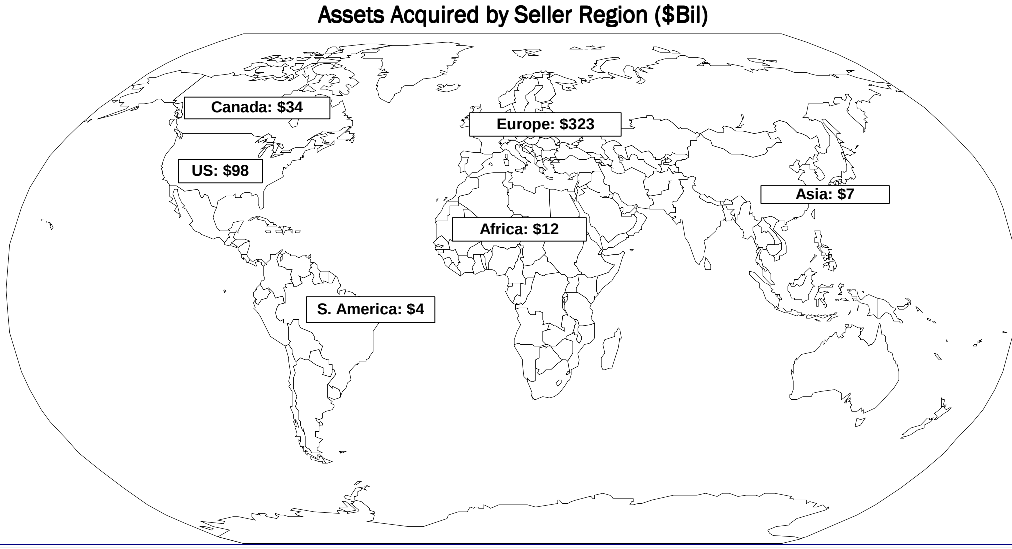
The five largest deals of 2002 (listed below) accounted for 65% of the total AUM acquired. Over 25% of the AUM acquired for the full year was the result of one deal, Northern Trust's acquisition of Deutsche Bank's US index tracking unit, which certainly would have low valuation multiples on an AUM basis.

The five largest deals for 2002 were as follows:

- Northern Trust's acquisition of Deutsche Bank's $120 billion US index tracking unit
- The $89 billion AUM merger of the Swiss private banks Lombard Odier & Cie and Darier Hentsch & Cie
- Friends Ivory & Sime Plc's acquisition of Royal Sun & Alliance Insurance Group Plc's $52 billion fund business
- Lehman Brother's acquisition of the $30 billion AUM fixed income manager Lincoln Capital Management
- Sun Life Financial Services of Canada's acquisition of the $17 billion Canadian fund manager CI Fund Management Inc

Within these large deals, we see representations of larger industry trends, including: sale of non-core assets (Deutsche Bank), merging to gain competitive scale (Lombard Odier and Darier Hentsch), and product or distribution acquisitions (Lehman Brothers and Sun Life deals).

**Assets Acquired by Seller Region ($Bil)**




Source: Freeman & Co.

# Global Acquisitions—Assets Acquired by Buyer Region

**Assets Acquired by Buyer Region ($MM)**

| Region | 1998 | 1999 | 2000 | 2001 | 2002 | Average |
|---|---|---|---|---|---|---|
| Africa | 54,860 | - | 33,576 | - | 11,700 | 20,027 |
| Asia | 31,164 | 52,028 | 9,174 | 1,802 | 2,361 | 19,306 |
| Canada | 14,293 | 8,359 | 8,072 | 47,926 | 36,820 | 23,094 |
| Europe | 134,503 | 456,726 | 870,139 | 537,727 | 228,587 | 445,536 |
| South America | - | 662 | 122 | 3,447 | 885 | 1,023 |
| US | 244,984 | 166,959 | 795,193 | 248,915 | 196,514 | 330,513 |
| **Total** | **$479,804** | **$684,734** | **$1,716,275** | **$839,816** | **$476,866** | **$839,499** |

Source: Freeman & Co.

The chart above illustrates the global AUM deal volume by buyer region, and it follows a trend very similar to the S&P 500 and NASDAQ Composite indices since 1998. For AUM deal volume, growth was an impressive 89.1% per year from 1998 to 2000 and a depressing –47.3% per year from 2000 to 2002.

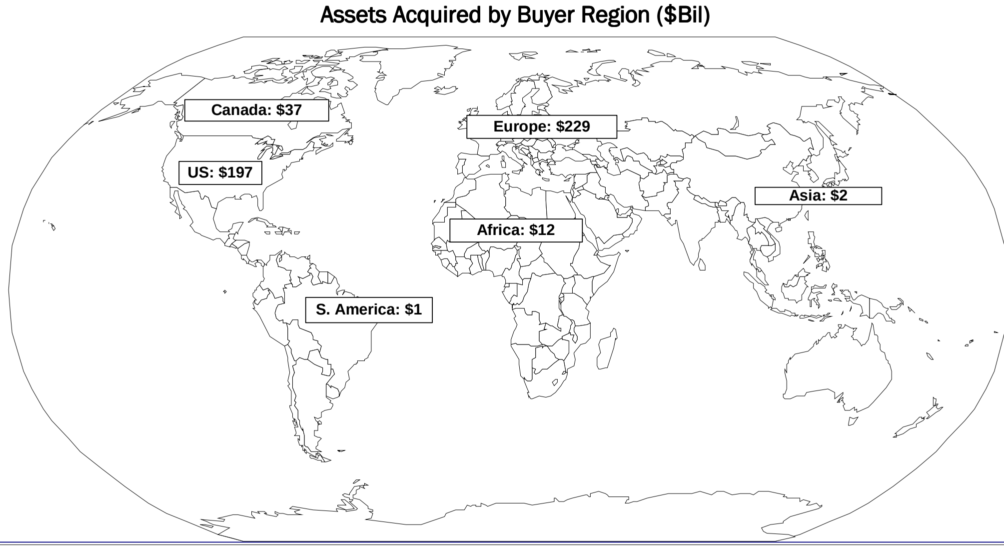
Although overall volumes are down significantly, there are a few positive trends. Consolidation and changes in the Canadian market have led to solid AUM deal volumes for buyers and sellers for the past two years, largely concentrated among four large transactions including:

- Sun Life Financial Services' purchase of 30% of C.I. Fund Management Inc. in 2002 with total AUM of $17 billion
- Sun Life Financial Services' $19 billion AUM acquisition of Liberty Financial Co. in 2001
- The acquisition of Mackenzie Financial Corp. by Investors Group Inc. in 2001 with a total deal AUM of $25 billion
- UBS Asset Management's acquisition of RT Capital Management ($20 billion AUM) from Royal Bank of Canada in 2001

These types of consolidation trends have begun to develop elsewhere in the world: the previously mentioned merger of Swiss private banks Lombard Odier and Darier Hentsch, and the potential merger of Credit Lyonnais and Credit Agricole are prime examples. We expect this to be a continuing trend in 2003 and 2004, which will be driven primarily by the lower asset levels and industry growth rates. In addition, record losses for many European commercial banks could be a driving factor for intra-country bank consolidation across Europe.

Other factors that could lead to increased deal volumes in the future include: asset management and private client divestitures of foreign operations (many of the private client foreign operations have been sold by Schwab, Merrill Lynch, etc.); exits from non-core businesses by financial services firms; and consolidation to achieve scale. Additionally, major mergers among life insurance companies and commercial banks are possible and both groups have been exposed to greater equity and corporate credit risk than was previously expected. As regulators begin to address capital adequacy and other measures, the prospect for deals increases substantially.

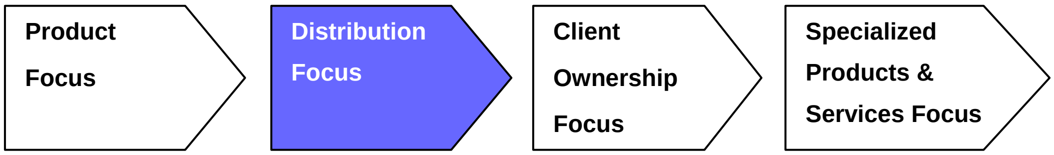
**Assets Acquired by Buyer Region ($Bil)**




Source: Freeman & Co.

# European Third Party Funds

In our last report, we estimated the current and future profitability of the European third party fund industry from the perspective of the asset management industry. We have assumed that the European asset management industry is moving from a product-focus to a distribution-focus model (management fees split in favor of distributors) as shown below:




As the trend of open architecture develops, we anticipate an increased specialization in both production and distribution leading to a more visible separation between product manufacturers and distributors. We expect the European asset management industry to move rapidly to the "Client Ownership Focus" stage, where third party fund distributors may see more value in enhancing their client relationship management skills than in developing new asset management skills. This could lead fund distributors to become more selective with fund providers based on the quality of service they are capable of delivering.

The results of a recent survey carried out by our London-based market research company, Sector Analysis, show that quality of information provided by fund manufacturers is an essential ingredient for distributors to efficiently execute after-sale service functions and to reinforce client relationships. Distributors need high quality information material to sell each manufacturer's products and to provide a high level of post-sale service to the end customer. We have seen this occur in the US where third-party product providers often displace proprietary products, due in part to the third-party firm's high level of service.

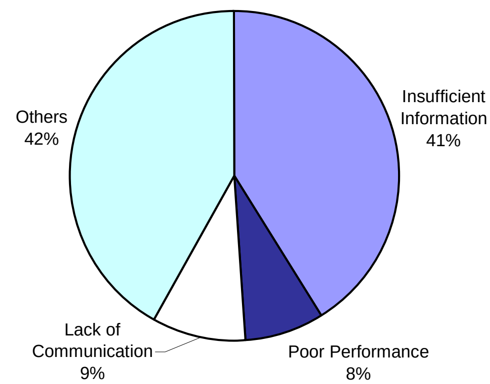
The shift in fund distributors' concern from those providers with the best performance to those that will best support their sales effort is an indication of the transition to the "Client Ownership Focus" stage.

Customer-centric organizations that have anticipated this evolution and invested to build a closer relationship with their fund distributors will represent a winning business model for the next 3 to 5 years. Offering strong client services capabilities will enable fund manufacturers to justify higher fees and to resist replacement on the product shelf. Of course, all of this relies on a business having enough scale to justify the investment.

Fund providers with poor "client services" capabilities that believe open architecture will be their gateway to assets could be disappointed. We see organizations that aim to deliver sales and profits quickly by exploiting any sales leads that turn up. This lower cost approach fails to address issues of customer loyalty, distributor satisfaction, etc. Unfortunately, winning in the open architecture framework will require a dedicated service and support function that cannot be accomplished without a long-term investment horizon.

**Sector Analysis Ltd. European Survey**

What key frustration do you feel when selling funds to your customers that fund providers can help you with? (Europe: % of responses)




Source: Sector Analysis

250 third party fund distributors interviewed (banks, insurers, port. managers, intermediaries and pension plans) in 10 European countries late 2002 (UK, France, Switzerland, Italy, Spain, Germany, Netherlands, Sweden, Belgium, Luxembourg )

## Competitive Position

In this section we estimate relative market share of fund manufacturers acting as third party fund providers in Europe (e.g. third party fund market share). The notion of market share developed hereafter is based on data captured by talking to fund distributors in 10 European countries. Over 450 distributors of third party funds have been asked to name up to three fund providers that have the greatest share of their third-party fund business.

The survey was conducted in the first quarter of 2002 and targeted four third party fund users in each country: universal banks, insurance companies, independent portfolio managers and pension plans. Each name was equally-weighted e.g. no prominence was given to the first mentioned over the third; nor have responses been weighted by the scale of the third party funds used: the answer of a big distributor counts as much as that of a small distributor.

**Top 10 Third Party Fund Providers in Europe**

| ***% of mentions*** | **Eur** | **Fr** | **Ger** | **Italy** | **Esp** | **CHF** | **Swe** | **NL** | **UK** | **Lux** | **Belg** |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Fidelity | **10.2%** | 13% | 9% | 1% | 15% | 10% | 5% | 7% | 6% | 24% | 11% |
| JP Morgan Fleming | **7.1%** | 5% | 2% | 15% | 14% | 4% | 3% | 6% | 6% | 10% | 2% |
| Morgan Stanley | **4.9%** | 0% | 1% | 13% | 13% | 3% | 5% | 4% | 0% | 4% | 0% |
| Deutsche Bank | **4.8%** | 0% | 20% | 2% | 5% | 6% | 0% | 3% | 3% | 6% | 4% |
| Credit Suisse | **3.9%** | 2% | 1% | 0% | 8% | 14% | 1% | 0% | 0% | 3% | 0% |
| UBS | **3.7%** | 1% | 1% | 3% | 0% | 18% | 0% | 0% | 3% | 4% | 0% |
| Merrill Lynch | **3.6%** | 2% | 6% | 5% | 6% | 1% | 3% | 3% | 3% | 3% | 5% |
| Schroders | **3.0%** | 1% | 0% | 9% | 1% | 4% | 3% | 2% | 8% | 0% | 4% |
| BNP Paribas | **2.2%** | 7% | 0% | 1% | 7% | 0% | 0% | 0% | 0% | 1% | 0% |
| Franklin Templeton | **2.2%** | 1% | 6% | 2% | 1% | 2% | 0% | 2% | 0% | 6% | 2% |
| *Others* | ***54.5%*** | *69%* | *53%* | *50%* | *30%* | *38%* | *80%* | *72%* | *70%* | *38%* | *74%* |
| Total | 100% | | | | | | | | | | |

Source: Sector Analysis

# European Third Party Funds (continued)

As shown on the prior page, the Top 10 third party fund providers received 45.5% of the mentions as leading suppliers, with an average of 4.55% each; the remaining "market share" of 54.5% was split among 200 firms for an average "market share" of 0.27%. Obviously this is not evenly distributed, but it highlights the point that the smaller firms may have to pursue niche business strategies to achieve success. The other item of note among the Top 10 is the prevalence of US firms (five mentioned), even though two (Merrill Lynch and JP Morgan) made large purchases to achieve their rank in Europe. US firms have an historical advantage in targeting third-party distribution channels. During the 1980s and 1990s, US mutual fund firms made tremendous gains in penetrating the captive clients of US banks and insurance companies by displacing in-house managers in multiple channels such as 401(k) plans, variable annuities and retail wrap accounts. The mutual fund firms' focus on product manufacturing, willingness to "rent" distribution sources and high levels of sales support were key contributors to their success.

Using data from Sector Analysis below we have made estimates for the average size of distributor relationships across Europe. A few comments about Sector Analysis' research is appropriate — the firm makes large representative samples across Europe involving hundreds of data points, but does not survey every firm. Based on Sector's research of total third-party fund distributors (2,873) and total assets in these channels ($1.2 trillion), we have estimated average third party funds per distributor at $417 million, with a low of $77 million in Sweden and a high of $750 million in Switzerland. Furthermore, we have estimated the average relationship for each product provider with each distributor across Europe — the lowest level is $11 million in both Sweden and Belgium and the highest level is $83 million in Italy.

**Key Parameters for Demand of Third Party Funds in Europe**

| Key parameters and estimates | Europe | Fr | Ger | Itl | Esp | CHF | Swe | NL | UK | Lux | Belg |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Scenario 1** | | | | | | | | | | | |
| [A] Total number of third party fund distributors | 2,873 | 401 | 303 | 274 | 325 | 350 | 238 | 329 | 302 | 160 | 192 |
| [B] Average number of fund providers per distributor | | 15 | 17 | 6 | 7 | 11 | 7 | 6 | 23 | 22 | 7 |
| [C] Total third party fund assets ($bn) | $1,200 | $179 | $138 | $129 | $87 | $262 | $18 | $121 | $182 | $69 | $15 |
| [D]=[C]/[A] Third party fund assets per distributor ($m) | $417 | $446 | $456 | $471 | $269 | $750 | $77 | $368 | $603 | $429 | $78 |
| [E]=[D]/[B] Assets per distributor per fund provider ($m) | | $29 | $27 | $83 | $39 | $67 | $11 | $60 | $26 | $20 | $11 |

Source: Sector Analysis, Ltd.

Combining the findings shown on the prior page with the chart above allows us to assess the "relative market share" of the top 10 fund providers in the European third party fund industry (chart at bottom). We have taken the relative market share from the prior page and assumed that each provider would have relationships with a percentage of distributors in each market (e.g. Fidelity 13% in France); we then take this number of relationships (e.g. 52 for Fidelity in France) and multiple it by the average assets per distributor relationship for each market (e.g. $29 million in France) to calculate a potential third-party fund relationship measurement for Fidelity in France ($1.5 billion). This methodology has numerous shortcomings all tied to different steps in the chain. However, it does provide a proxy for thinking about competitive position across Europe that takes into account factors such as the number of distributors in a market, the total third-party assets in a market and average relationship size.

**Proxy for Third Party Fund Asset Potential by the Top 10 Fund Providers**

| US$ million | Eur | Fr. | Ger. | Italy | Spain | CHF | S | NL | UK | Lux | Belg |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Fidelity | 9,712 | 1,523 | 751 | 224 | 1,885 | 2,317 | 136 | 1,416 | 499 | 737 | 226 |
| JP Morgan Fleming | 8,879 | 571 | 188 | 3,362 | 1,791 | 827 | 68 | 1,214 | 499 | 322 | 38 |
| Morgan Stanley | 6,354 | 0 | 94 | 2,913 | 1,602 | 662 | 136 | 809 | 0 | 138 | 0 |
| Deutsche Bank | 5,308 | 0 | 1,595 | 448 | 660 | 1,489 | 0 | 607 | 250 | 184 | 75 |
| Credit Suisse | 4,756 | 190 | 94 | 0 | 1,037 | 3,310 | 34 | 0 | 0 | 92 | 0 |
| UBS | 5,386 | 95 | 94 | 672 | 0 | 4,137 | 0 | 0 | 250 | 138 | 0 |
| Merrill Lynch Mercury | 3,994 | 190 | 469 | 1,121 | 754 | 331 | 68 | 607 | 250 | 92 | 113 |
| Schroders | 4,371 | 95 | 0 | 2,017 | 94 | 993 | 68 | 405 | 624 | 0 | 75 |
| BNP Paribas | 2,069 | 857 | 0 | 224 | 942 | 0 | 0 | 0 | 0 | 46 | 0 |
| Franklin Templeton | 2,324 | 95 | 469 | 448 | 188 | 496 | 0 | 405 | 0 | 184 | 38 |
| **Total** | 53,153 | 3,616 | 3,754 | 11,429 | 8,953 | 14,562 | 510 | 5,463 | 2,372 | 1,933 | 565 |

Source: Sector Analysis

Our preferred way of thinking about this analysis is as a proxy measurement of each firm's strategic positioning in the European market place. It provides an index for the potential for each firm based on relative brand name strength by market and the local dynamic forces influencing their asset raising in each marketplace. An example is that Italy has a smaller number of distributors (274) and those distributors use a very small number of product providers (6). The result is a high asset level per relationship ($83 million), but also relatively high levels of competition to become one of the few product providers for each distributor. It can also give these firms and others benchmarks on "average" performance and expectations by market. Although "past performance" is not indicative of future performance, this template can provide guidance on what types of asset targets might be achievable depending on country dynamics and brand name recognition.

# European Third Party Funds

On this page we have modified the analysis from the prior page to examine uneven market share — in this case that the top three fund providers for each distributor capture larger market share of the assets available from that distributor. Obviously its important to be a top provider to gain scale and achieve profitability. The comparison between scenario 1 and scenario 2 shows that the greatest gains to market leadership would occur in those market segments where the average number of providers per distributor is high. As such, firms would benefit most in countries such as France, Germany and the UK.

### Key Parameters for Demand of Third Party Funds in Europe

| Key parameters | Eur | Fr | Ger | Itl | Esp | CHF | Swe | NL | UK | Lux | Belg |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Scenario 2** | | | | | | | | | | | |
| [A] Total number of third party fund distributors | 2,873 | 401 | 303 | 274 | 325 | 350 | 238 | 329 | 302 | 160 | 192 |
| [B] Average number of fund providers per distributor | | 15 | 17 | 6 | 7 | 11 | 7 | 6 | 23 | 22 | 7 |
| [C] Total third party fund assets ($bn) | $1,200 | $179 | $138 | $129 | $87 | $262 | $18 | $121 | $182 | $69 | $15 |
| [D] Third party fund assets to top 3 product providers | | *50%* | *50%* | *80%* | *80%* | *50%* | *80%* | *80%* | 25% | 25% | *80%* |
| [E]=[C]/[A]*[D]÷3 Assets per distributor per fund provider ($m) | | $74 | $76 | $126 | $72 | $125 | $20 | $98 | $50 | $36 | $21 |

In the chart below, we use a similar proxy methodology for potential assets in each country based on Sector Analysis' brand name/market share survey and the projected potential penetration by country for third party fund assets. While imperfect (as mentioned on the prior page) it provides a methodology for targeting market penetration goals. Based on these and the expected yield on assets, firms can develop budgets for entering or expanding within a particular market segment.

### Proxy for Third Party Fund Asset Potential by the Top 10 Fund Providers

| $m | Eur | France | Germany | Italy | Spain | Switz. | Swed. | NL | UK | Lux | B |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Fidelity | 19,445 | 3,907 | 2,141 | 338 | 3,446 | 4,309 | 260 | 2,335 | 947 | 1,344 | 418 |
| JP Morgan Fleming | 15,613 | 1,465 | 535 | 5,064 | 3,274 | 1,539 | 130 | 2,001 | 947 | 588 | 70 |
| Morgan Stanley | 10,663 | 0 | 268 | 4,389 | 2,929 | 1,231 | 260 | 1,334 | 0 | 252 | 0 |
| Deutsche Bank | 11,151 | 0 | 4,549 | 675 | 1,206 | 2,770 | 0 | 1,001 | 473 | 336 | 139 |
| Credit Suisse | 9,041 | 488 | 268 | 0 | 1,896 | 6,156 | 65 | 0 | 0 | 168 | 0 |
| UBS | 9,945 | 244 | 268 | 1,013 | 0 | 7,695 | 0 | 0 | 473 | 252 | 0 |
| Merrill Lynch Mercury | 7,490 | 488 | 1,338 | 1,688 | 1,379 | 616 | 130 | 1,001 | 473 | 168 | 209 |
| Schroders | 7,422 | 244 | 0 | 3,038 | 172 | 1,847 | 130 | 667 | 1,184 | 0 | 139 |
| BNP Paribas | 4,342 | 2,198 | 0 | 338 | 1,723 | 0 | 0 | 0 | 0 | 84 | 0 |
| Franklin Templeton | 4,598 | 244 | 1,338 | 675 | 345 | 923 | 0 | 667 | 0 | 336 | 70 |
| Total | 99,710 | 9,278 | 10,705 | 17,218 | 16,370 | 27,086 | 975 | 9,006 | 4,497 | 3,528 | 1,045 |

Source: Sector Analysis, Freeman & Co. analysis

### League Table Analysis

At right we have ranked the results from Sector Analysis' survey of top third party fund providers, and a few points are worth highlighting:

- Fidelity, JP Morgan Fleming and Merrill Lynch are the only firms with top 10 rankings in each country; only Fidelity has accomplished this through a "build" strategy
- Domestic banks are highly ranked considering that they rely extensively on proprietary distribution channels for their products and use third-party channels less; Deutsche Bank is the best example of a firm that has embraced the open architecture theme

### Estimated Competitive Position of Top Third Party Fund Providers

| Competitive ranking | Eur | Fr | Ger | It | Es | CHF | S | NL | UK | Lux | Be |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Fidelity | 1 | 1 | 2 | 7 | 1 | 3 | 1 | 1 | 2 | 1 | 1 |
| JP Morgan Fleming | 2 | 3 | 4 | 1 | 2 | 6 | 2 | 2 | 2 | 2 | 4 |
| Deutsche Bank | 3 | - | 1 | 6 | 7 | 4 | - | 4 | 3 | 3 | 3 |
| Morgan Stanley | 4 | - | 5 | 2 | 3 | 7 | 1 | 3 | - | 4 | - |
| UBS | 5 | 5 | 5 | 5 | - | 1 | - | - | 3 | 4 | - |
| Credit Suisse | 6 | 4 | 5 | - | 4 | 2 | 3 | - | - | 5 | - |
| Merrill Lynch Mercury | 7 | 4 | 3 | 4 | 6 | 9 | 2 | 4 | 3 | 5 | 2 |
| Schroders | 8 | 5 | - | 3 | 9 | 5 | 2 | 5 | 1 | - | 3 |
| Franklin Templeton | 9 | 5 | 3 | 6 | 8 | 8 | - | 5 | - | 3 | 4 |
| BNP Paribas | 10 | 2 | - | 7 | 5 | - | - | - | - | 6 | - |

Source: Sector Analysis

- Fidelity's focus on only being a global asset manager to individuals and institutions is reflected in their repeat as the number one ranked fund provider
- Domestic banks have a distinct advantage since they can access proprietary channels as well as third-party channels; as large providers of distribution for product providers, these banks have an ability to increase retrocession fees and access fees for outside providers like Fidelity; we have seen this trend in the US among the wirehouses and Charles Schwab

# Alternative Investments—Activity

**4th Quarter 2002 Alternative Investment Strategic Partnerships**

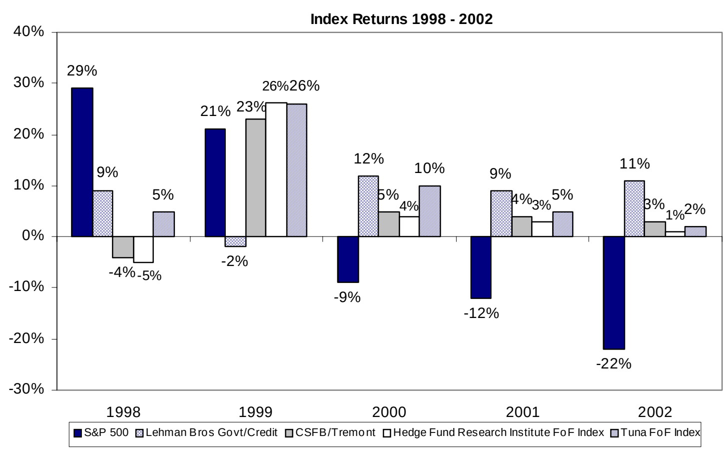
| Month | Target | Acquirer | Total Deal AUM ($MM) | Description |
|---|---|---|---|---|
| 12 | LibertyView Capital Management | Neuberger Berman Inc. | 1,000 | Acquisition - Fund of Funds |
| 12 | Parallel Ventures | Man Investment Products | | Acquisition - Private Equity |
| 12 | Westport Private Equity | Man Investment Products | 1,700 | Acquisition - Fund of Funds |
| 12 | Arrow Hedge Partners | KBSH Capital Management Inc. | | JV - Fund of Funds |
| 10 | PlusFunds Inc. | XL Capital Ltd. | | Alliance - Fund of Funds |

There were only three acquisitions of alternative investment managers in the fourth quarter, two of which were announced by the Man Group Plc. One interesting note is that four of the five strategic partnerships announced during the quarter involved public companies. Neuberger Berman, one of the largest US public money managers, acquired LibertyView Capital Management, a US-based alternative investment manager. This adds Neuberger Berman to a growing list of public money managers who have made acquisitions to diversify their product offering into the alternative investment arena. Other recent acquirers of alternative investment products have included Affiliated Managers Group, John Nuveen and BlackRock Inc.

As more public companies continue to expand their alternative investment product offerings there is an increased level of acceptance of alternatives and a likely increase in regulation of alternatives. Our belief is that hedge funds and fund of funds will come under a higher level of regulatory scrutiny in large part due to their increased popularity in the current market environment. All of the public companies that are venturing into the asset class are already regulated by multiple agencies (SEC, NASD, FSA, etc.) and will raise the standard for what is expected in the industry (a good thing generally). However the increase in reporting and regulatory standards will come with a real economic cost for all of the current participants and will have a disproportionate effect on small hedge funds. Many of the small hedge funds and fund of funds may have difficulties if legal and compliance bills increase by $250,000 per annum or additional personnel in compliance are needed. All of this leads in the direction of the institutionalization of the business and market share gains by the largest firms in the industry at the cost of smaller firms.

# Alternative Investments—Index Returns

As a whole the alternative investment industry did not generate large absolute returns in 2002, but it seems to have delivered on its promises of protecting value in bear markets. Among hedge fund of funds, the highest returns we have seen are in the 6-7% range; many are in the 1-3% range; and the long-short focused products seem to be down 2-4%. The other two points for the industry are that investors now realize hedge fund of funds don't return 12-15% every year, and that returns alternatives deliver in the next bull market will be important.




Prospectively the alternative asset class looks appealing to investors when alternatives are low fixed income yields (how much price appreciation is left), real estate and equities. With three straight years of losses in the S&P 500, many investors (private and institutional) are probably managing rebalances and trying to determine where not to lose money.

With this background, we believe that there will be continued new flows into alternative products (hedge funds, fund of funds) over the next five years, but that most of these net new flows will be concentrated among the largest firms in the world. One strong reason supporting this, we believe, is the continued institutionalization of the hedge fund industry. For example, we have listed three separate hedge fund indices in the chart, all of which have sub-indices by styles (Note: there are numerous other hedge fund indices that we have not included). Another example is the recent publication by Institutional Investor of a Top 50 list of the largest hedge fund of funds in the world. All of these combine to educate investors, their intermediaries and consultants about the product class and to direct them to one of the larger firms in the industry. The larger firms generally have an advantage in marketing, distribution, structured product capabilities, reputation risk and the all important "sleep well at night" factor for trustees and institutions.

# Alternative Investments— Max Re

| Asset Type | Market Value ($000) | Total % | Alternative % | Returns 4Q02 | Returns YTD | Returns Since Inception | Asset Change Q3-Q4 $000 | Asset Change Q3-Q4 % |
|---|---|---|---|---|---|---|---|---|
| Cash & Fixed Maturities | 1,371,667 | 67.8% | NA | 0.84% | 8.59% | 9.04% | 1,323,618 | 3.6% |
| Global Macro | 93,240 | 4.6% | 14.3% | 4.16% | 7.35% | 8.49% | (3,215) | -1.9% |
| Long/Short Equity | 59,222 | 2.9% | 9.1% | 0.65% | -2.40% | 0.75% | 2,110 | -0.4% |
| Convertible Arbitrage | 36,290 | 1.8% | 5.6% | 7.88% | 10.00% | 13.83% | 2,500 | 0.0% |
| Merger Arbitrage | - | 0.0% | 0.0% | 0.00% | -0.43% | 3.95% | - | 0.0% |
| Diversified Arbitrage | 123,173 | 6.1% | 18.9% | 4.48% | 8.58% | 12.72% | 13,051 | 0.7% |
| Distressed Securities | 79,445 | 3.9% | 12.2% | 7.20% | 3.00% | 2.90% | (10,689) | -3.1% |
| Opportunistic | 33,617 | 1.7% | 5.2% | 4.11% | 1.74% | 6.80% | (10,281) | -2.4% |
| Emerging Markets | 24,971 | 1.2% | 3.8% | 0.97% | 0.33% | 0.33% | 10,074 | 1.5% |
| Fixed Income Arbitrage | 47,164 | 2.3% | 7.2% | 6.61% | 15.91% | 9.50% | 15,735 | 2.3% |
| Event-Driven Arbitrage | 48,286 | 2.4% | 7.4% | 2.27% | -0.53% | 7.88% | 37,366 | 6.3% |
| Commodity Trading Advisers | 33,440 | 1.7% | 5.1% | -6.50% | -2.37% | -2.37% | 15,875 | 0.0% |
| **Max Re Diversified Strategies** | **578,848** | **28.6%** | **88.7%** | **4.02%** | **4.15%** | **0.13%** | **42,526** | **0.0%** |
| Insurance Underwriting | 73,896 | 3.7% | 11.3% | 4.06% | 14.19% | 7.04% | 71,001 | 4.1% |
| **Alternative Investments** | **652,744** | **32.2%** | **100.0%** | **4.02%** | **5.18%** | **5.32%** | **607,333** | **7.5%** |
| **Total Investments** | **2,024,411** | **100.0%** | **NA** | **1.88%** | **7.35%** | **7.62%** | **1,930,951** | **4.8%** |

Source: Max Re Press Release

For the year Max Re Diversified Strategies returned 4.15% and the company's alternative portfolio as a whole returned 5.18%. For the fourth quarter Max Re Diversified Strategies performed well generating returns of 4.02%, representing the majority of the year's gains. The alternative portfolio had positive returns in the fourth quarter in 10 of 11 underlying strategies, with the highest return of 7.88% in the convertible arbitrage strategy and the only negative return of –6.5% was in commodity trading advisers; distressed securities (+7.20%), fixed income arbitrage (+6.61%) and global macro (+4.16%) were strong performers this quarter as well.

After announcing in the third quarter that the company was moving its portfolio away from alternative investments, the company's allocation to alternatives remained consistent in the fourth quarter representing 32.2% of invested assets, as compared to 31.5% of invested assets at September 30, 2002. The slight increase is explained by the favorable results achieved during the quarter. With the underlying redemption constraints in hedge funds, we do not expect significant decreases in the hedge fund portfolio until first quarter 2003.

Although the company's poor hedge fund returns in the early part of the year caused it to de-emphasize that component of its business model, the fourth quarter returns gave the firm strong overall results on its portfolio: +4.15 in hedge funds, +8.59% in fixed income and +7.35% overall. Certainly many investors in the capital markets would be pleased with a 7.35% return in 2003; whether this leads MaxRe to rethink its move away from hedge funds is an open question.

# Alternative Investment Institutionalization

One of the important characteristics of the hedge fund industry that we have stressed in the past is the need for infrastructure and information to make it a large institutional market. One of the items that helps the industry grow is information availability and clarity for how the information was produced. As listed at right, there has been an increase in the firms providing hedge fund indices, with a general trend from the smaller independent firms to the entrance of large global investment banks (e.g. Morgan Stanley). While we reserve judgment on the "accuracy" or applicability of hedge fund indices, we do believe that they support and encourage the growth of the industry by making information easily available to investors.

**Select Hedge Fund Indices**

1. Standard & Poor's
2. Morgan Stanley Capital International
3. CSFB/Tremont
4. Zurich Hedge Fund Indices
5. Hedge Fund Research Institute
6. Tuna Index
7. Van Hedge Fund Advisors
8. Evaluation Associates

The other support area that has popped up are "Value Line Reports" on hedge funds. Recently we have come across firms such as Allenbridge Hedge Fund Research and HedgeWorld that are offering background and due diligence reports. Fees for these services range from $900 to $15,000. Since we have not reviewed any of these reports, we will skip any comments on content and quality — the point we do want to highlight is that access to information, in a traditionally secretive industry, would support institutional growth in assets.

The last area we want to comment on is the increased hedge fund developments by market leading investors such as CalPERS, GM Pension and ABP. These firms should do a great deal to expand the market acceptance of hedge funds by institutions. All of these organizations are viewed as sophisticated first-movers, and their actions should directly lead to future allocations by other investors, albeit slowly.

One element these developments all share is they raise the profile of the hedge fund industry and its activities. As such, we believe these will generally lead to two results: (1) an increase in regulatory interest and (2) some increase in fraudulent events due to increased interest in hedge funds.

# US Public Money Managers— Current Valuations

| | Avg, AUM $Bil. | Enterprise Value (EV) [1] | Market Cap $MM | 1/31/03 Share Price | Last 12 Months Revenue | Last 12 Months EBITDA[2] | Last 12 Months Core Net Income[3] | EV/ EBITDA[2] | EV/ EBIT[3] | Price/ Core Income[3] | Price/ TTM Income | % of AUM |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Diversified** | | | | | | | | | | | | |
| Blackrock (BLK) | 251.6 | 2,012 | 2,012 | $42.25 | 577.0 | 215.6 | 131.1 | 9.3x | 9.4x | 15.3x | 15.1x | 0.8% |
| Eaton Vance (EV) | 56.5 | 2,371 | 2,195 | $27.76 | 518.0 | 183.9 | 121.0 | 12.9x | 12.9x | 18.1x | 18.1x | 3.9% |
| Federated Investors (FII) | 184.7 | 3,832 | 3,615 | $25.55 | 711.5 | 347.1 | 214.2 | 11.0x | 11.5x | 16.9x | 17.7x | 2.0% |
| Franklin Resources (BEN) | 262.6 | 8,641 | 8,051 | $33.34 | 2,505.8 | 599.1 | 424.9 | 14.4x | 14.8x | 18.9x | 19.0x | 3.1% |
| Gabelli (GBL) | 22.6 | 983 | 963 | $30.82 | 210.0 | 99.2 | 60.9 | 9.9x | 9.9x | 15.8x | 18.1x | 4.3% |
| Neuberger Berman (NEU) | 57.6 | 2,319 | 2,171 | $29.27 | 623.4 | 243.2 | 119.1 | 9.5x | 10.2x | 18.2x | 18.2x | 3.8% |
| SEI Investments (SEIC) | 76.5 | 3,513 | 3,477 | $25.50 | 620.8 | 209.8 | 130.2 | 16.7x | 16.7x | 26.7x | 24.7x | 4.5% |
| Janus Capital (JNS) | 159.3 | 7,595 | 6,913 | $12.69 | 1,144.8 | 417.5 | 69.0 | 18.2x | 22.0x | 100.2x | 81.6x | 4.3% |
| T Rowe Price (TROW) | 145.2 | 3,998 | 3,936 | $26.74 | 918.2 | 327.3 | 195.7 | 12.2x | 12.7x | 20.1x | 20.3x | 2.7% |
| Waddell & Reed (WDR) | 28.8 | 2,735 | 2,530 | $18.29 | 434.9 | 154.2 | 87.6 | 17.7x | 18.5x | 28.9x | 27.5x | 8.8% |
| ***Total*** | ***1,245.4*** | ***$38,000*** | ***$35,864*** | | ***$8,264*** | ***$2,797*** | ***Average*** | ***13.2x*** | ***13.9x*** | ***27.9x*** | ***26.0x*** | ***3.8%*** |
| | | | | | | | ***Median*** | ***12.6x*** | ***12.8x*** | ***18.6x*** | ***18.6x*** | ***3.8%*** |
| **Insurance** | | | | | | | | | | | | |
| Nuveen Investments (JNC) | 73.7 | 2,862 | 2,638 | $23.35 | 396.4 | 215.6 | 131.2 | 13.3x | 13.5x | 20.1x | 20.9x | 3.6% |
| ***Total*** | ***73.7*** | ***$2,862*** | ***$2,638*** | | ***$396*** | ***$216*** | | ***13.3x*** | ***13.5x*** | ***20.1x*** | ***20.9x*** | ***3.6%*** |
| **Consolidators** | | | | | | | | | | | | |
| Affiliated Managers (AMG) | 73.7 | 1,176 | 700 | $46.44 | 482.5 | 216.2 | 136.7 | 5.4x | 6.0x | 5.1x | 12.5x | 0.9% |
| ***Total*** | ***73.7*** | ***$1,176*** | ***$700*** | | ***$483*** | ***$216*** | | ***5.4x*** | ***6.0x*** | ***5.1x*** | ***12.5x*** | ***0.9%*** |
| **Bank/Trust Companies** | | | | | | | | | | | | |
| Boston Private Fincl. (BPFH) | 6.4 | 714 | 714 | $18.01 | 115.9 | 36.0 | 25.0 | 19.9x | 19.9x | 28.6x | 30.1x | 11.1% |
| Wilmington Trust (WL) | 31.7 | 1,952 | 1,789 | $29.04 | 516.7 | 208.0 | 133.8 | 9.4x | 9.4x | 13.4x | 13.4x | 5.6% |
| ***Total*** | ***38.1*** | ***$2,666*** | ***$2,503*** | | ***$633*** | ***$244*** | ***Average*** | ***14.6x*** | ***14.7x*** | ***21.0x*** | ***21.8x*** | ***8.4%*** |
| | | | | | | | ***Median*** | ***14.6x*** | ***14.7x*** | ***21.0x*** | ***21.8x*** | ***8.4%*** |
| **Limited Partnerships** | | | | | | | | | | | | |
| Alliance Capital L.P. (AC) | 413.0 | 8,407 | 7,804 | $29.85 | 2,742.4 | 682.2 | 611.2 | 12.3x | 12.7x | 12.8x | 12.8x | 1.9% |
| ***Total*** | ***413.0*** | ***$8,407*** | ***$7,804*** | | ***$2,742*** | ***$682*** | | ***12.3x*** | ***12.7x*** | ***12.8x*** | ***12.8x*** | ***1.9%*** |
| **Overall** | | | | | | | | | | | | |
| ***Total*** | ***1,843.9*** | ***$53,112*** | ***$49,509*** | | ***$12,518*** | ***$4,155*** | ***Average*** | ***12.8x*** | ***13.3x*** | ***23.9x*** | ***23.3x*** | ***4.1%*** |
| Notes | | | | | | | ***Median*** | ***12.3x*** | ***12.7x*** | ***18.2x*** | ***18.2x*** | ***3.8%*** |

1 Enterprise Value (EV) includes equity plus long term debt
2 Before tangible depreciation and amortization
3 Excludes extraordinary items and minority interest expense/income

# US Public Money Managers— AUM Analysis

**Average AUM Analysis $billion**

| Quarter Ending | 12/31/2000 | 3/31/2001 | 6/30/2001 | 9/30/2001 | 12/31/2001 | 3/31/2002 | 6/30/2002 | 9/30/2002 | 12/31/2002 |
|---|---|---|---|---|---|---|---|---|---|
| **Diversified** | | | | | | | | | |
| Blackrock (BLK) | $ 203.8 | $ 201.6 | $ 212.7 | $ 225.6 | $ 238.6 | $ 238.1 | $ 249.8 | $ 245.9 | $ 272.8 |
| Eaton Vance (EV) * | 49.3 | 49.0 | 50.4 | 56.6 | 59.3 | 59.2 | 54.8 | 55.6 | 55.6 |
| Federated Investors (FII) | 134.3 | 146.4 | 160.8 | 163.6 | 179.7 | 177.6 | 185.0 | 180.9 | 195.4 |
| Franklin Resources (BEN) | 226.5 | 224.9 | 267.9 | 246.4 | 266.3 | 274.5 | 270.4 | 247.8 | 257.7 |
| Gabelli (GBL) | 23.6 | 23.7 | 25.6 | 22.3 | 24.8 | 25.9 | 23.2 | 20.2 | 21.2 |
| Neuberger Berman (NEU) | 55.5 | 54.8 | 58.2 | 52.1 | 59.0 | 61.9 | 58.7 | 53.6 | 56.1 |
| SEI Investments (SEIC) | 76.3 | 78.1 | 79.9 | 74.0 | 77.5 | 79.0 | 76.8 | 72.2 | 78.0 |
| Stilwell (SV) | 284.7 | 294.4 | 223.9 | 171.8 | 193.0 | 188.8 | 161.5 | 148.4 | 138.4 |
| T Rowe Price (TROW) | 166.7 | 148.7 | 158.6 | 140.4 | 156.3 | 159.8 | 148.8 | 131.6 | 140.6 |
| Waddell & Reed (WDR) | 37.8 | 35.3 | 34.0 | 29.8 | 31.8 | 32.0 | 29.1 | 27.1 | 26.9 |
| Total | 1,258.4 | 1,256.9 | 1,272.1 | 1,182.7 | 1,286.3 | 1,296.8 | 1,258.1 | 1,183.2 | 1,242.7 |
| **Insurance** | | | | | | | | | |
| Nuveen Investments (JNC) | 61.3 | 61.4 | 63.0 | 66.5 | 68.5 | 69.5 | 68.5 | 76.9 | 79.7 |
| Total | 61.3 | 61.4 | 63.0 | 66.5 | 68.5 | 69.5 | 68.5 | 76.9 | 79.7 |
| **Consolidators** | | | | | | | | | |
| Affiliated Managers (AMG) | 77.5 | 69.7 | 73.7 | 65.2 | 81.0 | 81.4 | 74.1 | 68.5 | 70.8 |
| Total | 77.5 | 69.7 | 73.7 | 65.2 | 81.0 | 81.4 | 74.1 | 68.5 | 70.8 |
| **Bank/Trust Companies** | | | | | | | | | |
| Boston Private Fincl. (BPFH) | 5.7 | 5.6 | 6.2 | 5.3 | 6.5 | 6.8 | 6.5 | 6.0 | 6.4 |
| Wilmington Trust (WL) | 41.5 | 38.7 | 38.5 | 34.7 | 36.9 | 37.0 | 31.7 | 29.1 | 28.9 |
| Total | 47.2 | 44.3 | 44.7 | 40.1 | 43.4 | 43.8 | 38.2 | 35.1 | 35.4 |
| **Limited Partnerships** | | | | | | | | | |
| Alliance Capital L.P. (AC) | 421.1 | 454.0 | 454.9 | 421.4 | 455.0 | 448.0 | 451.6 | 368.7 | 383.7 |
| Total | 421.1 | 454.0 | 454.9 | 421.4 | 455.0 | 448.0 | 451.6 | 368.7 | 383.7 |
| **Total** | **$1,865.4** | **$1,886.4** | **$1,908.4** | **$1,775.8** | **$1,934.2** | **$1,939.5** | **$1,890.4** | **$1,732.4** | **$1,812.3** |

* EV periods end January, April, July, October

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