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News Release

For Immediate Release

FREEMAN & CO. REPORT DETAILS THE EFFECTS OF GLOBAL DELEVERAGING ON THE ASSET MANAGEMENT INDUSTRY

NEW YORK, March 25, 2009 – Freeman & Co., a leading independent advisor to the financial services industry, released a report today covering the volume of deal activity in the industry and the effects of the current economic crisis and global deleveraging on the asset management sector. The report has four sections covering historical activity, global deleveraging, unexpected sources of risk and future industry expectations.

Historical Activity

- Despite the credit crisis, deal activity persisted in 2008 with 208 acquisitions versus 217 in 2007. Total deal AUM at \$1.6 trillion was up from \$1.3 trillion in 2007 and the volume of transactions greater than \$1 billion reached an all-time high.
- However, much of this activity was in minority deals. Nippon Life Insurance's 5% stake in Russell Investments (\$211 billion AUM) and Mitsubishi UFJ Trust and Banking Corporation's 10% stake in Aberdeen Asset Management (\$183 billion AUM) were two key highlights of 2008, making up approximately 25% of deal AUM.

Global Deleveraging

- The US and most other developed nations underwent and continue to experience a massive deleveraging after years of increased debt accumulation. By 2008, the US financial sector debt had grown to 114% of GDP, up from 21% in 1980. A return to that level from three decades ago would require \$14 trillion of debt to be repaid.
- Both traditional and alternative asset managers experienced AUM losses from market declines and redemptions. Collapsing revenue has placed increased pressure on costs and operating margins for all asset managers, while scandals such as the Madoff Ponzi scheme have increased pressure on alternative managers for more transparency and improved risk management.

Unexpected Sources of Risk

- The report reviews some of the risks that emerged over the past 18 months that were not traditionally captured by companies' risk management departments. We expect investors to approach new asset classes and complex financial products with significantly more humility over the medium term and be overly careful in pricing such risks.

Future Industry Expectations

- With AUM and revenue plunging, firms have an incentive to pursue "combination" deals, such as the merger of asset management units of Soc Gen and Credit Agricole. We have seen other deals by Aberdeen and GLG and expect to see more.
- Scores of "boutique" alternative asset managers will be squeezed out of the market either through M&A consolidation or through liquidation - depending on each entity's expertise, performance, breadth of client relationships and product offering.

Eric C. Weber, Managing Director and COO of Freeman & Co. said: "The market downturn has put a great number of stresses on asset managers, and we are seeing which firms are best built for weathering this

storm. The result is a series of competitive reshufflings based on the strength of each firm's business model."

About Freeman & Co. LLC

Founded in 1991, Freeman & Co. LLC is an M&A advisory and strategic consulting firm focused exclusively on the financial services industry with offices in New York and London. The company's advisory services include mergers and acquisitions advice, capital raising, underwriting, fairness opinions, restructuring advice and private company valuations. Strategic consulting assignments are customized to client needs and have covered a wide array of projects. Additionally, Freeman & Co. developed a proprietary algorithm and methodology for benchmarking the competitive position of capital markets businesses, which has become the industry standard used by major investment banks. For more information, visit www.freeman-co.com.

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