



# THE MONEY MANAGEMENT INSTITUTE

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**Contact: Chris Cosentino**  
**917-519-6300**  
**chris@cozcomm.com**

## **MMI REPORTS MANAGED ACCOUNT SOLUTIONS ASSETS REACH \$1.5 TRILLION —MMI REPORTS 4.7 PERCENT GROWTH IN THE QUARTER—**

**Washington, DC, December 12, 2007** – Assets under management in Managed Accounts Solutions reached a record \$1.5 trillion in the third quarter ending September 30, 2007, according to the Money Management Institute (MMI), the national organization representing the managed account solutions industry. The data is published in its report to members, *MMI Central*, researched and written with Dover Financial Research.

Managed Account Solutions represents the portion of the investment industry that has organized its delivery of investment solutions by professional advisors through programs and/or platforms, according to the MMI. These solutions include:

<b>Solution</b>	<b>4Q 2006 Assets (in billions)</b>	<b>3Q 2007 Assets (in billions)</b>
Separately Managed Accounts Sub Advisory	\$709	\$808
Mutual Fund Advisory	\$360.5	\$453.7
Representative as Portfolio Manager	\$179.8	\$232.7
Exchange Traded Funds/Other Advisory	6.8	\$9.1
<b>TOTAL</b>	<b>\$1256.1</b>	<b>\$1503.4</b>

*Source: MMI and Dover Financial Research*

During the third quarter, the MAS industry grew at 4.7% as opposed to a 2% increase by the S&P 500 indicating significant organic growth in the industry. Net sales topped \$43 billion, according to the report.

“Professional advice has fueled industry growth. Over the past few years the managed account solutions industry has seen a growth of offerings, including discretionary and non-discretionary mutual fund advisory platforms, UMAs, and traditional SMAs,” said Mark Pennington, Partner, Global Relationship Management at Lord Abbett. “However, no matter what the end solution, the process of investors working with professional financial advisors and seeking professional investment management continues to be the prime engine of growth for the industry.”

MMI’s *Central* also reported that Wirehouse firms represent approximately 65.2% of the assets in Managed Account Solutions. This represents a 3.9% gain among other-types of sponsor firms in the past year. Among the different segments within the MAS space, Rep as Portfolio Manager grew at 8.4 percent and the Mutual Fund Advisory market grew at 7.2 percent during the third quarter.

Model Portfolios have also fueled industry growth. According to *The State of Model Portfolio Programs*<sup>™</sup>, a report published in November by the MMI and Dover Financial Research, customization is more prevalent and easier to execute within a Model Portfolio, when compared with a traditional managed account. Tax sensitive trading, adjustments for customer-driven socially responsible investing and other investor-level trades and decisions are becoming more prevalent and further driving industry growth.

MMI's *Central* also reported that Large Cap Growth Domestic Equity strategies grew 13.6% in the third quarter compared with the second quarter, adding more than \$14 billion in assets. Municipal strategies and Multiple Discipline Products continued to be the largest strategies, by assets, in the MAS space, the MMI report said.

“The continued growth of assets under management reflects the growing importance of the unique combination of professional advice, customization and transparency that Managed Account Solutions offer investors,” added Christopher L. Davis, president of MMI.

### **About The Money Management Institute**

The Money Management Institute (MMI) is the national organization for the managed account solutions industry, representing portfolio manager firms and sponsors of the investment consulting programs. Organized in 1997, MMI assists industry leaders to address common concerns, discuss industry issues and work together to better serve investors. The Institute is the leading advocate for the industry on regulatory and legislative issues. MMI's membership comprises firms that offer comprehensive financial consulting services to individual investors, foundations, retirement plans and trusts as well as related professional portfolio management firms. [www.moneyinstitute.com](http://www.moneyinstitute.com).

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