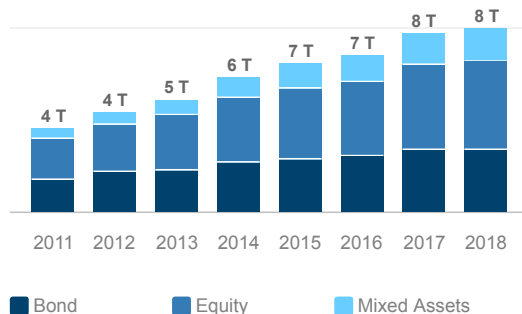


FundFlash Monthly Snapshot of European Trends



European assets by investment type



Jul 2018 net sales of long term funds

€4.3 B

YTD net sales of long term funds

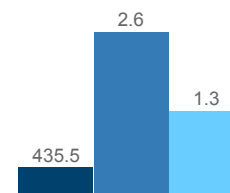
€123.1 B

Asset Growth month on month

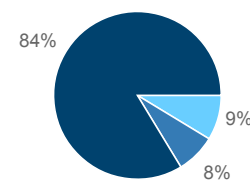
+1.15%

Passive vs Active overview (€B) in Jul 2018

Net sales



Assets



July in brief

- The third quarter begins with a small but pleasing return to positive territory. Long-term funds register €4.3bn of net inflows.
- Money market funds add €10bn to the monthly total thanks to the upside of the French corporate liquidity cycle.
- Another tough month, though, for active managers; although sales ended the month in the black, volumes are under €500m. Passive funds take in nearly €4bn of new money.
- The fixed income segment surprisingly posts the largest inflows of all the long-term categories. Equities, meanwhile, endure their third month of redemptions.
- The Trump-induced bull market entices more commitment to North American equities; this lead sector of the month contributes nearly €3bn to the sales total. However, its impact is wiped out by withdrawals from UK stocks and emerging markets.
- Vanguard tops the sales leader board for the first time since 2016, the group's passive bond funds benefiting from the generally slim trading volumes.
- Allianz retains its high sales score with its Mixed Asset Income fund, which is July's bestseller with inflows of €1.8bn.

Summer sun fails to warm investor sentiment

Sales volumes returned to positive territory in July, but the general mood was damp and uninspired. After the mid-year sell off, fund selectors were ready to repopulate their client portfolios but the purchases did little to offset the earlier month's outflows. Net sales of long-term funds were a lacklustre €4bn – a paltry sum compared with the €32bn of outflows recorded in May and June. Nonetheless, they proved there was some life back in the market. The most interesting dynamic was the uplift in bond sales, albeit predominately passive. Investors were buying emerging market bonds, inflation-linked funds (driven by new launches), alternative and US short-term bonds, each of which generated inflows of more than €1bn. The move pointed to selectors buying back into sectors, like emerging markets (again, mainly via passive funds), that they felt were oversold, but also rebuilding their bond allocations with new sectors that countered interest-rate risk and inflation.

Meanwhile the mixed asset train continued to role. This fund category has not seen a single month of redemption since May 2012 but sales volumes in July were disappointing at under €4bn, half of which was absorbed by the current market favourite, Allianz's Mixed Asset Income fund. Equities, though, struggled with their third consecutive month of outflows. The pace of withdrawal slowed, thanks to a rush of money into the roaring US stock market. This was Europe's bestselling sector, taking in nearly €3bn of new money, of which two thirds went into passive funds. Its success was not enough to counteract the departure from emerging market equities and core-UK products, the latter paying the price for concerns over the hard Brexit that the UK seems to be moving towards.

Looking ahead

The investment paralysis that normally characterises August came early this year. Trading volumes seemed slim with only three groups posting over €1bn of net inflows. On the other hand, groups in steep redemption numbered just four, compared with 11 in June. Investors simply lacked any real conviction or commitment so this month's positive result was due more to a slower pace of redemptions than any real forward momentum. The same is likely to be the case in August and, whilst we may see some pick up during the remainder of the year, new money is likely to be in relatively short supply.

European Net Sales by Investment Type (€bn)

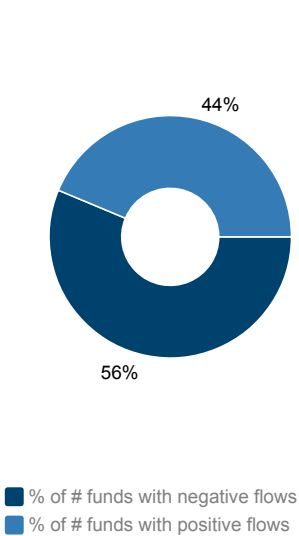
Investment Type	Aug 2017	Sep 2017	Oct 2017	Nov 2017	Dec 2017	Jan 2018	Feb 2018	Mar 2018	Apr 2018	May 2018	Jun 2018	Jul 2018
Bond	23,167	16,294	17,545	29,025	18,507	31,575	-8,128	4,175	-489	-16,632	-13,917	4,194
Equity	4,668	15,258	16,964	12,681	11,291	44,041	11,343	4,186	6,475	-4,870	-6,226	-1,478
Mixed	9,874	8,715	15,586	12,392	14,474	19,522	14,622	12,116	5,376	7,468	5,516	3,486
Money Market	24,669	-16,153	20,907	-1,835	-17,588	33,209	-33,070	-7,940	10,244	-10,082	-16,386	10,000
Rest	3,410	-1,475	-458	4,478	3,566	2,418	160	1,620	1,633	-3,441	181	-1,874

Top Markets by Sales - Latest Month (€bn)

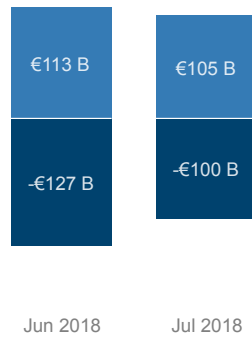
Fund Market	Assets	Previous month Net Sales	Latest Net Sales	Bottom selling fund	Top selling fund
International	4,457 B	-14.3 B	9.8 B	-0.8 B	1.8 B
Italy	478 B	0.4 B	0.7 B	-0.9 B	0.3 B
Belgium	117 B	-0.6 B	0.6 B	-0.1 B	0.1 B
Sweden	284 B	-0.2 B	0.6 B	-0.2 B	0.1 B
Germany	629 B	0.5 B	0.4 B	-0.4 B	0.3 B
Finland	75 B	-0.6 B	0.3 B	-0.2 B	0.1 B

* International market granularity available via SalesWatch. Funds of funds and money market funds are excluded.

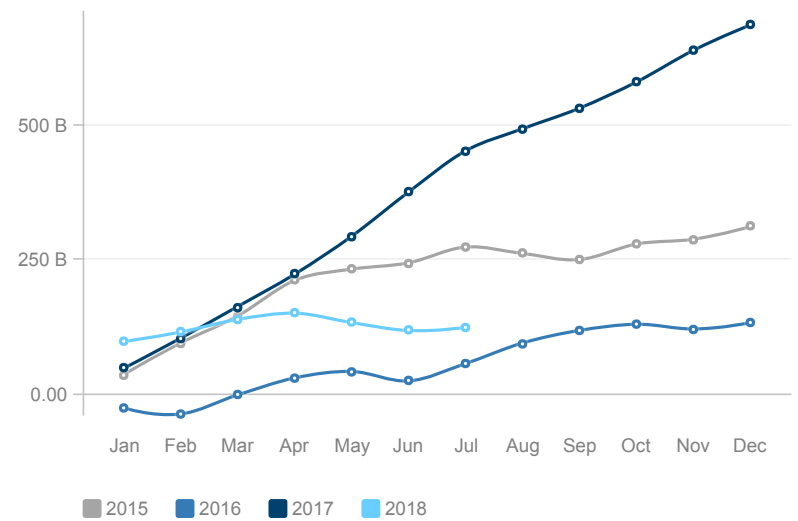
Flow sentiment



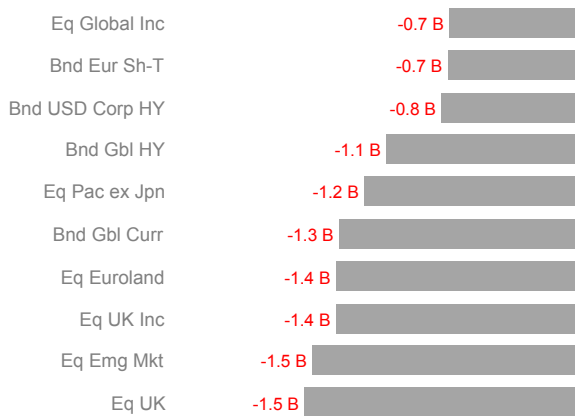
Positive net sales vs Negative net sales



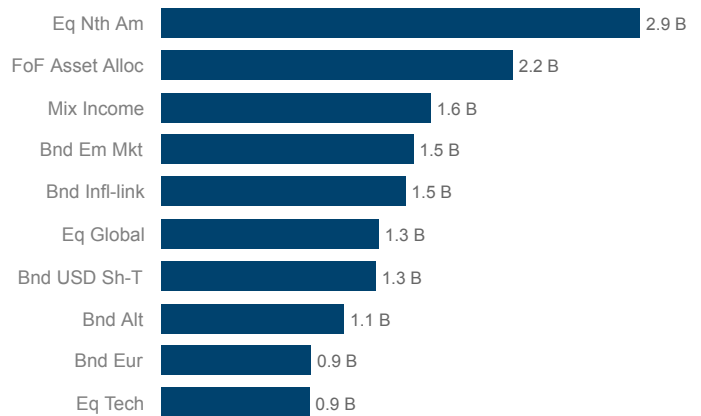
Cumulative net sales by year (€bn)



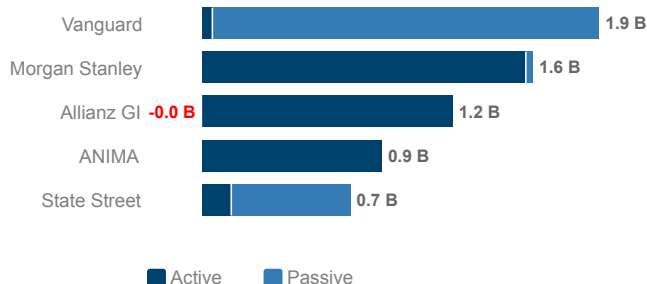
Bottom 10 selling sectors - Latest month (€bn)



Top 10 Sectors selling sectors - Latest month (€bn)



Top selling groups - Latest month (€bn)



Top selling groups - Latest 12 months (€bn)

Master Group	NAT	Assets	Net Sales
BlackRock	US	658.3 B	39.2 B
Amundi	FR	306.1 B	19.5 B
UBS	CH	271.8 B	16.1 B
Intesa SP	IT	188.9 B	14.9 B
Natixis	FR	97.1 B	14.7 B

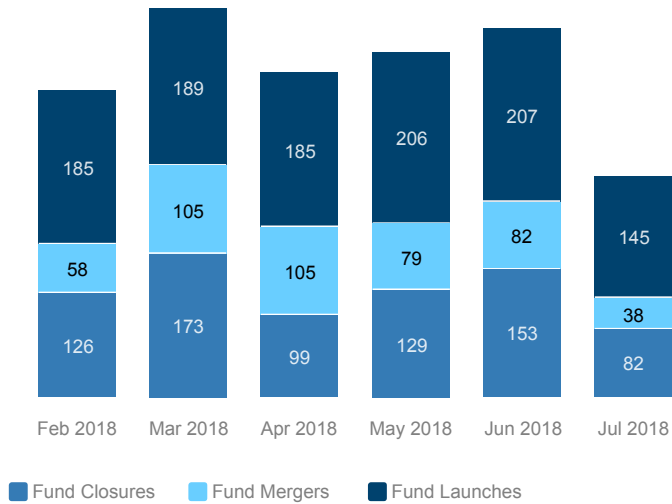
Top 10 Selling Funds - Latest month (€m)

Fund Name	Fund Domicile	Fund Investment Type	Net Sales
Allianz Global Investors Fund - Allianz Income and Growth	Luxembourg	Mixed Assets	1,788
AXA World Funds - Global Inflation Bonds Redex	Luxembourg	Bond	816
iShares Core S&P 500 UCITS ETF (USD)	Ireland	Equity	776
Morgan Stanley-Short Maturity Euro Bond	Luxembourg	Bond	630
iShares Physical Gold ETC	Ireland	Commodity	614
Northern Trust World Custom ESG Equity Index	Ireland	Equity	551
Morgan Stanley-Euro Corporate Bond Duration Hedged	Luxembourg	Bond	526
H2O Adagio	France	Bond	505
Covéa Global Inflation	France	Bond	498
Lyxor Investment Funds - Lyxor Euro 6M	Luxembourg	Bond	468

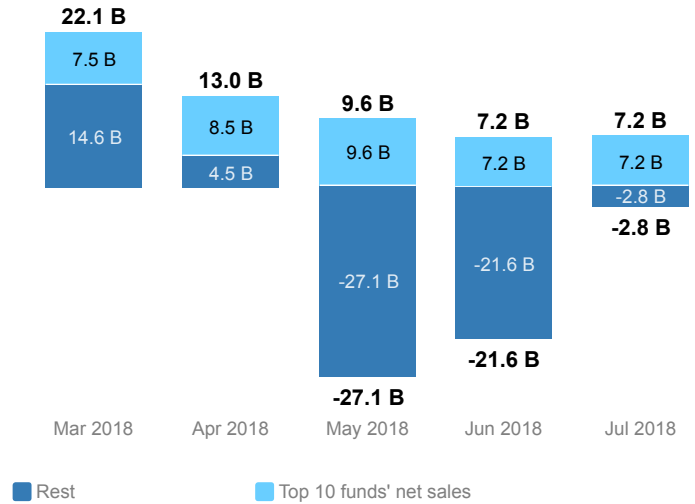
Best Sellers by Month (€bn)

Fund Name	Fund Domicile	Type	Month/Year	Net Sales
Allianz Global Investors Fund - Allianz Income and Growth	Luxembourg	Mix	Jul 2018	1.8 B
			Jun 2018	1.0 B
UBS ETFs plc - MSCI ACWI SF UCITS ETF	Ireland	Eq	May 2018	3.0 B
BlackRock ACS US Equity Tracker	United Kingdom	Eq	Apr 2018	2.4 B
Gestielle Cedola Multi Target V	Italy	Mix	Mar 2018	1.6 B
Mercer Global Investments - Mercer Investment Fund 10	Ireland	Mix	Feb 2018	1.5 B
Baillie Gifford Global Alpha Growth	United Kingdom	Eq	Jan 2018	4.0 B
Royal London UK Real Estate	United Kingdom	Prop	Dec 2017	3.2 B
PIMCO GIS Income Fund	Ireland	Bnd	Nov 2017	4.5 B
			Oct 2017	3.8 B
			Sep 2017	4.1 B
			Aug 2017	4.4 B

Historical fund launches & closures



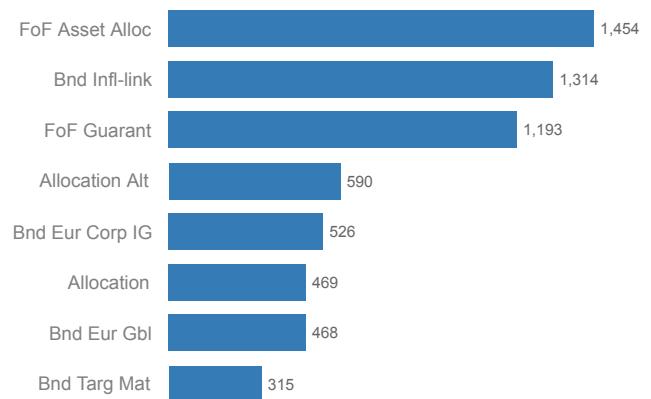
Proportion of net sales of the top ten selling funds



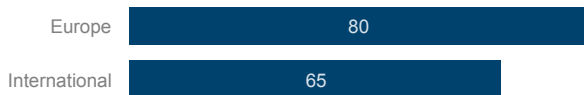
Fund launches by group - Latest month (€m)

Master Group	# Funds	Net Sales
NN IP	2	1,382
DWS	2	1,272
AXA IM	1	816
Morgan Stanley	2	554
Covéa Finance	1	498

Fund Launches: Top Sectors by net sales - Latest month (€m)



Number of fund launches by region



Top fund launches - Latest month (€m)

Fund Name	Domicile	Investment Type	Launch Date	Net Sales
DWS FlexPension II 2033	LU	Fund of Funds (ex-house)	2018-07	1,193
AXA World Funds - Global Inflation Bonds Redex	LU	Bond	2018-07	816
NN First Class Return Fund I	NL	Fund of Funds (in-house)	2018-07	799
NN First Class Return Fund II	NL	Fund of Funds (in-house)	2018-07	584
Morgan Stanley-Euro Corporate Bond Duration Hedged	LU	Bond	2018-07	526
Covéa Global Inflation	FR	Bond	2018-07	498
Lyxor Investment Funds - Lyxor Euro 6M	LU	Bond	2018-07	468
Anima Orizzonte Benessere 2023	IE	Bond	2018-07	310
Eurizon Alternative Sicav - SIF Global Asset Allocation Fund	LU	Mixed Assets	2018-07	270
Satellite Event Driven UCITS Fund	LU	Mixed Assets	2018-07	243

Data in EURO as at: Jul 2018

For more information please contact laura.cohen@broadridge.com

