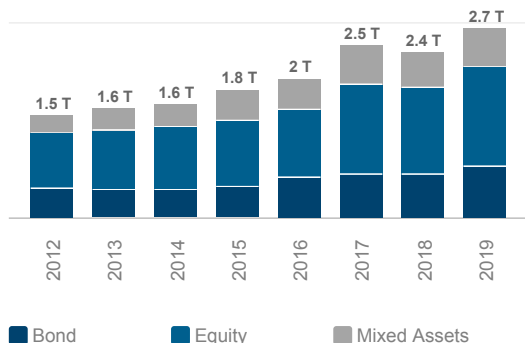


FundFlash Quarterly Snapshot of Asian Trends



Asian assets by investment type



Q2 2019 net sales of long term funds

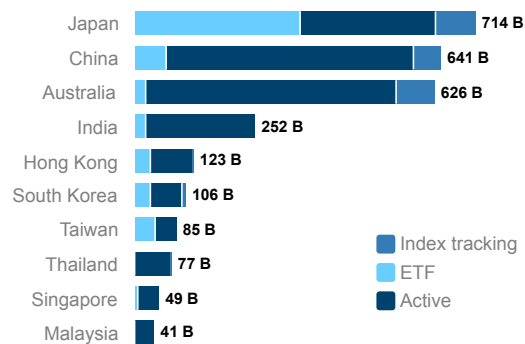
\$42.3 B

Active: **\$6.7 B** Passive: **\$35.5 B**

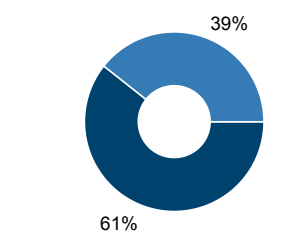
Asset growth quarter on quarter

+0.66%

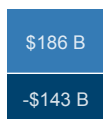
Asian assets by country ex Money Market funds (\$bn)



Flow sentiment



■ % of # funds with negative flows
■ % of # funds with positive flows



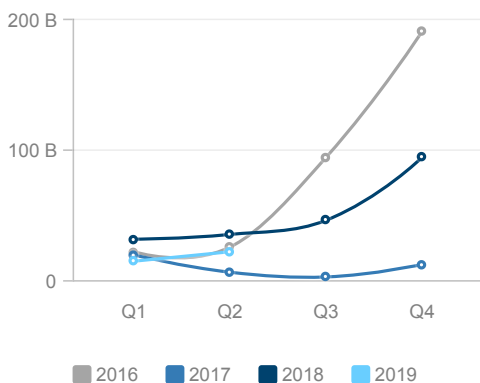
Q2/2019

■ Positive Flows
■ Negative Flows

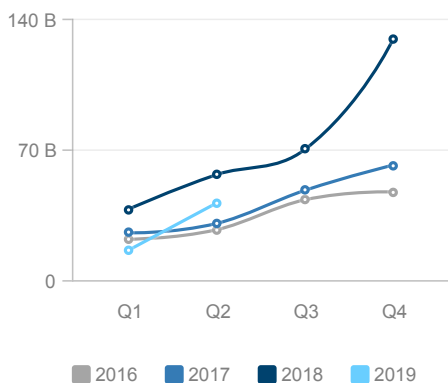
Q2 2019 in brief

- Net sales of long-term funds in Asia hit US\$42.3b in the second quarter of 2019, expanding from net sales of US\$34.5b in the previous quarter. Passive funds led, accounting for about 84% of the total net sales. Still, some 61% of funds showed net outflows during the quarter, as investors became more fee-conscious and wary of poor fund performance.
- Among the top-5 best-selling markets for long-term funds, only two showed a quarter-on-quarter expansion in net sales. They were Taiwan, where net sales hit US\$10b during the quarter compared to US\$5.7b in the first quarter, and India, where net sales of US\$5.2b improved on US\$4.6b in the previous quarter. The top-selling market was China, with net sales of US\$18.6b, down from US\$21.6b in the previous quarter.
- The top-selling sectors during the quarter were a mix of bond and equity strategies. The top-2 selling sectors were Eq Japan and Eq China, with net sales of US\$10.6b and US\$6.5b, respectively. The next best-selling sector was Bond CNY, with net sales of US\$5.6b. Mixed Assets Dynamic was fourth on the top-selling sector list with net sales of US\$4.9b.
- While most of the demand for country-specific equity and bond strategies came from domestic sources, including the Bank of Japan's continued demand for Japan equity-focused ETFs in Japan, Bond CNY funds saw almost as much interest from Taiwan as they did from within China. Taiwan accounted for US\$2.7b of net sales for the sector compared to US\$2.8b of net sales in China. Meanwhile, Mixed Asset Dynamic garnered the bulk of its net sales from China and Australia, at US\$4.6b and US\$1.6b, respectively.
- At the other end of the spectrum, the top-10 worst-selling sectors were led by Eq Korea and Eq China A-shares, with net outflows of about US\$2.7b and US\$2.1b, respectively. The bulk of the worst-selling sectors were equity strategies as global markets remained turbulent amid geopolitical uncertainties including the continuing US-China trade war. Further, expectations that the Fed won't raise rates in 2019 solidified during the quarter, sparking a gradual shift of funds towards fixed-income strategies.
- All but two of the top 10 best-selling long-term funds in Asia were ETFs or index-tracking funds. They were led by Japan equity-focused ETF, Nomura Topix Linked Listed Investment, which extended its position as the top-selling fund in Asia with sales of US\$5.1b during the quarter, Nikko Listed Index Fund TOPIX and Daiwa Topix Linked Listed Investment.
- Only two of the top-10 selling funds during the quarter were not from China or Japan, namely, Yuanta/P-shares Taiwan Top 50 ETF, and the Australian Super Balanced fund. They each drew about US\$2.1b in net sales. Yuanta/P-shares Taiwan Top 50 ETF tracks the TSEC Taiwan 50 Index and has exposure to Taiwan's leading blue-chip stocks including Taiwan Semiconductor Manufacturing, Hon Hai Precision Industry and Formosa Plastics.
- The Australian Super Balanced fund was the highest ranked active fund on the top-10 selling funds list for the quarter. It is a mixed asset fund that seeks to beat CPI by more than 4% per annum over the medium to long term. It is gaining increasing traction in Australia's superannuation space and highlights how the best-selling funds across the region tend to be those that charge lower fees.
- The number of funds launched in the second quarter rose to 827, from 810 in the previous quarter while the number of fund closures rose to 611 from 509. Over the 12 months to the end of the second quarter, South Korea led with 924 fund launches followed by China with 653 launches and Thailand with 530 launches. Over the same period, new launches of Bond CNY saw the highest net sales at US\$58.8b, far ahead of second-ranked Eq China, which drew net sales of US\$9.4b.

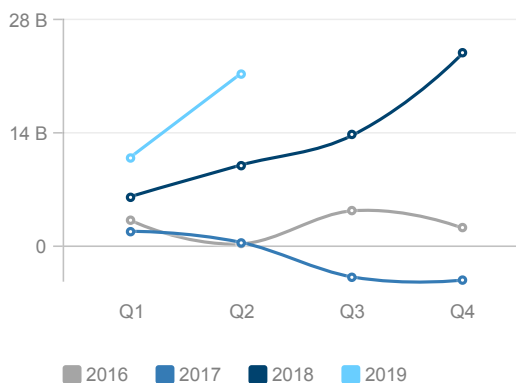
Cumulative net sales by year (\$bn) - Active



Cumulative net sales by year (\$bn) - ETF



Cumulative net sales by year (\$bn) - Index Tracking

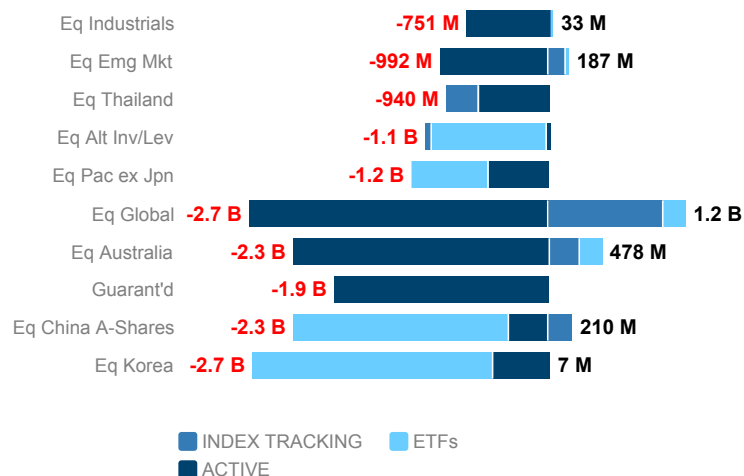


Best Selling Markets and Best Selling Sectors

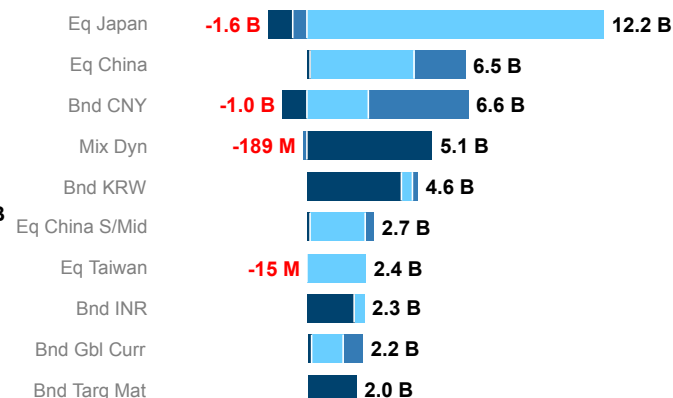
Asia top 5 markets by net sales - latest quarter (\$bn)

Fund Market	Assets	Previous quarter net sales	Latest quarter net sales	Bottom selling fund	Top selling fund
China	641.2 B	21.6 B	18.6 B	-0.5 B	1.8 B
Japan	714.2 B	12.0 B	10.6 B	-3.0 B	3.1 B
Taiwan	84.7 B	5.7 B	10.0 B	-0.3 B	2.4 B
India	251.7 B	4.6 B	5.2 B	-0.4 B	0.2 B
South Korea	106.2 B	2.9 B	2.6 B	-0.9 B	0.5 B

Asia bottom 10 selling sectors - latest quarter (\$bn)



Asia top 10 selling sectors - latest quarter (\$bn)



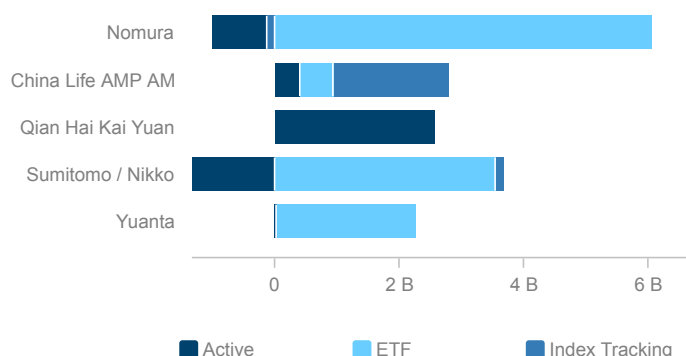
Fund Sector	Quarter/Year	Q2/2019								Sum
		Australia	China	Hong Kor	India	Japan	Singapore	South Ko	Taiwan	
Equities Japan	Equity	-4		8	0	10,601	3	-13	-1	10,593
Equities China	Equity	9	6,651	152		-42	-7	-234	-0	6,528
Equities China Mid/Small Caps	Equity		2,686	-1		5		3		2,693
Equities Taiwan	Equity			18		0	-0		2,330	2,348
Equities India	Equity	12	-34	3	2,043	-289	-53	-43	-11	1,628

Fund Sector	Quarter/Year	Q2/2019								Sum
		Australia	China	Hong Kor	India	Japan	Singapore	South Ko	Taiwan	
Bonds CNY	Bond		2,779	27		92	-11	1	2,668	5,556
Bonds KRW	Bond							4,555		4,555
Bonds INR	Bond				2,431	-12	0	-77	-6	2,336
Bonds Global Currencies	Bond	292	38	462		-338	-58	49	1,291	1,736
Bonds Emerging Markets	Bond	117	93			-40	-20	-0	1,351	1,501

Fund Sector	Quarter/Year	Q2/2019								Sum
		Australia	China	Hong Kor	India	Japan	Singapore	South Ko	Taiwan	
Mixed Assets Dynamic	Mixed	1,634	4,556	-30	-1,378	47	-1	21	18	4,866
Asset Allocation Alternative	Mixed	56	249		946	-9	-0		-4	1,238
Mixed Assets Conservative	Mixed	-207	371	-21	-83	825	-11	24		898
Mixed Assets Balanced	Mixed	250	186	-5	-159	171	-30	122	-110	426
Asset Allocation	Mixed	-377	-281	66	150	505	-67	-36	264	226

Best Selling Groups and Best Selling Funds

Asia top selling master groups - latest quarter (\$bn)



Please note: M&G/ Eastspring is the Master Group name which includes ICICI Prudential (India) Plc as well. Most of this quarter gains came from ICIC both active and passive product ranges

Asia top selling groups - latest 12 months (\$bn)

Master Group	NAT	Assets	Net Sales
Nomura	JP	209.9 B	26.5 B
CSOP	CI	31.4 B	11.3 B
Sumitomo / Nikko	JP	132.4 B	9.0 B
Ping An Insurance	CI	10.6 B	8.3 B
AustralianSuper	AU	106.8 B	8.3 B

Asia top selling groups - latest 12 months (\$bn) - ex ETFs

Master Group	NAT	Assets	Net Sales
AustralianSuper	AU	106.8 B	8.3 B
CSOP	CI	20.4 B	7.4 B
Ping An Insurance	CI	8.2 B	7.1 B
Bosera	CI	32.1 B	5.9 B
Housing Development	IN	35.8 B	5.0 B

Asia top 10 selling funds - latest quarter (\$bn)

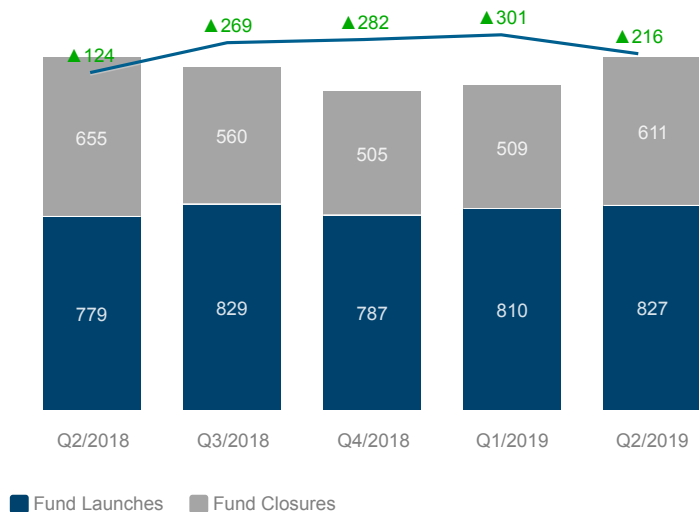
Fund Name	Domicile	Investment Type	Sector	Strategy	Net Sales
Nomura Topix Linked Listed Investment	Japan	Equity	Equities Japan		5.1 B
Nikko Listed Index Fund TOPIX	Japan	Equity	Equities Japan		3.2 B
Daiwa Topix Linked Listed Investment	Japan	Equity	Equities Japan		2.4 B
Yuanta/P-shares Taiwan Top 50 ETF	Taiwan	Equity	Equities Taiwan		2.1 B
AustralianSuper Balanced	Australia	Mixed Assets	Mixed Assets Dynamic		2.1 B
China Life AMP ChinaBond 1-3 Year China Development Bank Bo	China	Bond	Bonds CNY		1.8 B
BOC ChinaBond 1-3 Year China Development Bank Bond Index F	China	Bond	Bonds CNY		1.5 B
China Southern CSI 500 ETF	China	Equity	Equities China Mid/Small C		1.5 B
Penghua ChinaBond 1-3 Year CDB Bond Index Fund	China	Bond	Bonds CNY		1.4 B
QHKY DingXin Bond Fund	China	Bond	Bonds CNY		1.3 B

Asia bestselling fund each quarter (\$bn)

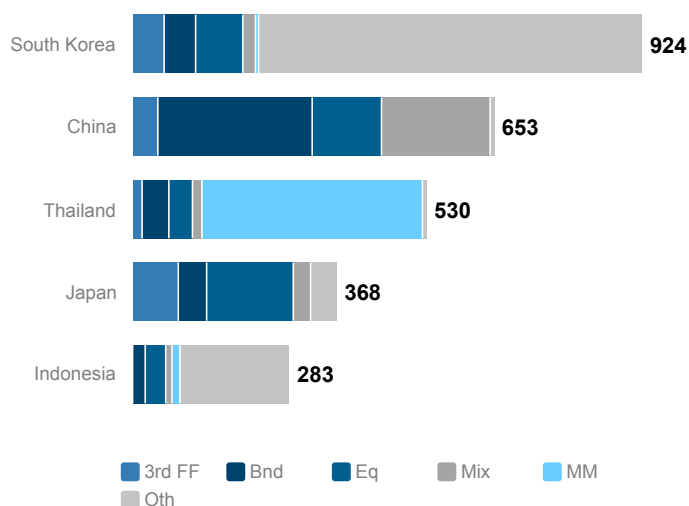
Fund Name	Domicile	Investment Type	Quarter/Year	Strategy	Net Sales
Nomura Topix Linked Listed Investment	Japan	Equity	Q2/2019		5.1 B
			Q1/2019		3.9 B
			Q4/2018		6.0 B
			Q3/2018		3.3 B
			Q2/2018		3.1 B
			Q1/2018		8.7 B
ABC-CA JinSui 3 Months Regularly Open Bond Fund	China	Bond	Q4/2017		7.6 B
Nomura Topix Linked Listed Investment	Japan	Equity	Q3/2017		5.0 B
			Q2/2017		2.0 B
			Q1/2017		7.0 B
MLC MasterKey Business Superannuation-MLC MySuper	Australia	Mixed Assets	Q4/2016		5.8 B

Product Development

Asia historical fund launches & closures



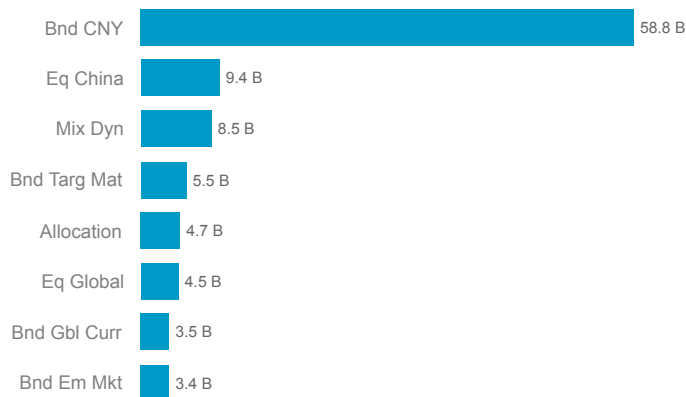
Number of fund launches by country - latest 12M



Asia fund launches by group - ex MM latest quarter (\$bn)

Master Group	NAT	# Funds	Net Sales
Resona Group	JP	1	0.3 B
Korea Holdings	KR	3	0.2 B
First Financial	TW	1	0.2 B
AM One	JP	6	0.2 B
Invesco	US	1	0.2 B
Kasikorn Bank	TH	2	0.2 B
Kookmin	KR	4	0.1 B
MFC Asset	TH	3	0.1 B
KGI Securities	TW	1	0.1 B
Eugene	KR	11	0.1 B

Asia Fund Launches: top sectors by net sales - latest 12 month (\$m)



Asia top fund launches - latest 12 month ex Money Market funds (\$bn)

Fund Name	Domicile	Investment Type	Launch Date	Net Sales
Bosera CSI Central-SOEs Structural Reform Index ETF Fund	China	Equity	2018-10	2.8 B
China Southern 3 Years Operation Strategy Flexible Fund	China	Mixed Assets	2018-07	2.7 B
ChinaAMC CSI Central-SOEs Structural Reform Index ETF Fund	China	Equity	2018-10	2.1 B
China Life AMP ChinaBond 1-3 Year China Development Bank Bond Index F	China	Bond	2019-03	1.8 B
China Southern ChinaBond 1-3 Year CDB Bond Index Fund	China	Bond	2018-11	1.7 B
Ping-An UOB HuiXuan Pure Bond Fund	China	Bond	2018-09	1.5 B
BOC ChinaBond 1-3 Year China Development Bank Bond Index Fund	China	Bond	2019-03	1.5 B
Yuanta US 20+ Year AAA-A Corporate Bond ETF	Taiwan	Bond	2018-09	1.4 B
AM-One Global High Quality Growth Equity Fund (2Y) NH	Japan	Equity	2018-08	1.4 B
Penghua ChinaBond 1-3 Year CDB Bond Index Fund	China	Bond	2019-03	1.4 B

Please note:

1. all charts and tables above exclude Funds of Funds and Money Market funds
2. NT as nationality = to Not Assigned. Joint Ventures are generally classified this way

For more information please contact: GMI.ClientServices@broadridge.com

Data in USD as at: Q2 2019

