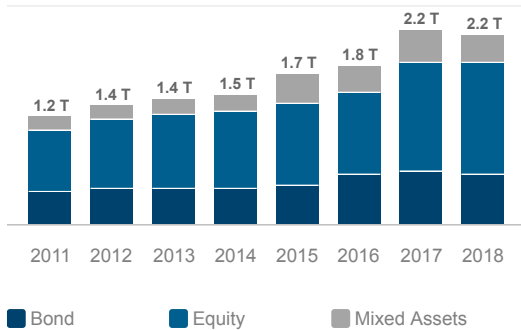


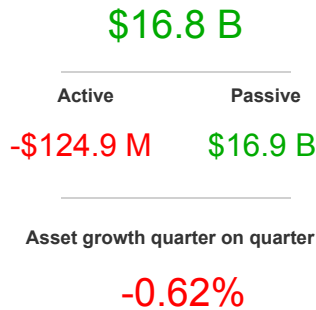
FundFlash Quarterly Snapshot of Asian Trends



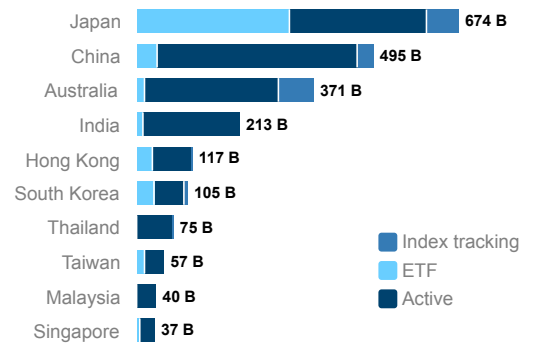
Asian assets by investment type



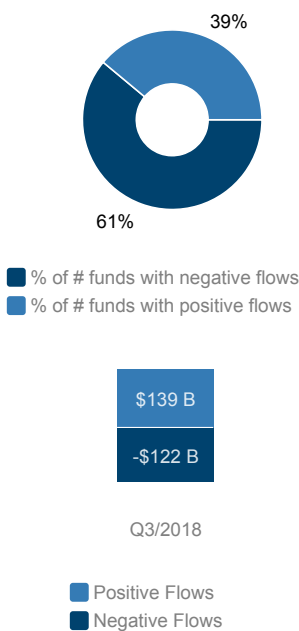
Q3 18 net sales of long term funds



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



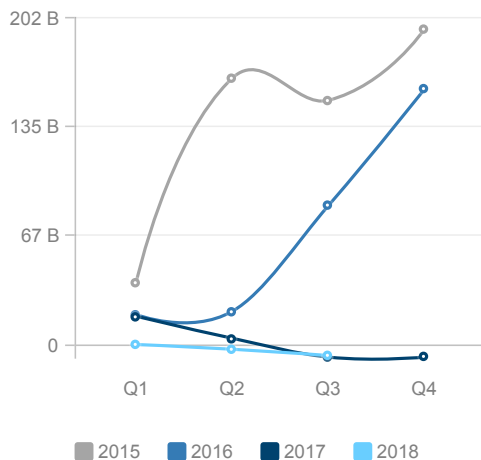
Flow sentiment



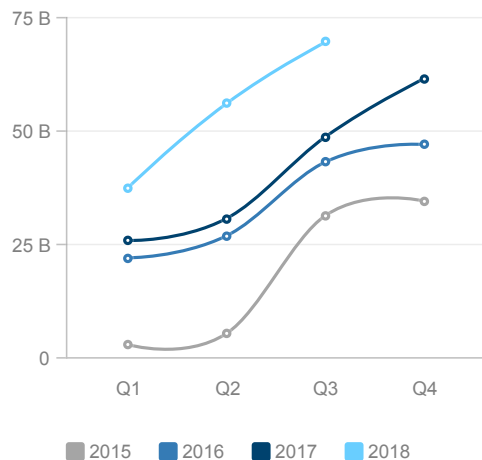
Q3 2018 in brief

- Net outflows from active long-term onshore funds slowed to a trickle at US\$124.9m in the third quarter of 2018 after heavy net outflows of US\$11.4b in the previous quarter. However, strong net inflows of US\$16.9b to passive funds helped net sales of long-term funds to almost double to US\$16.8b from US\$8.5b in Q2. Still, only 39% of funds showed positive net inflows during the quarter.
- Driven by investor interest in CNY-denominated bonds, China was Asia's top selling market in Q3 which jumped to US\$11.6b from US\$2.8b in the second quarter. This came on the back of Bond CNY being the top-selling sector over the quarter with sales of US\$13.8b.
- Two Bond CNY funds—Lion LianChuang ShunXin Bond fund and Ping-An UOB Short Term Bond Fund—were among the top-10 best-selling funds in Asia. They showed net sales of US\$1.5b and US\$1.1b, respectively, in Q3. Their popularity highlights global investor interest in the Chinese bond market which has intensified since the advent of Bond Connect in July 2017.
- However, the top-selling China fund during the quarter was not a fixed-income fund. It was China Southern 3 Years Operation Strategy Flexible fund with net sales of US\$2.7b. Launched in July 2018, it is one of six strategic placement funds approved by CSRC in June 2018. Strategic placement funds are considered an important innovation in public offerings and inclusive finance in China as ordinary investors can participate in stock placements in the new share issuance stage of technology companies.
- Japan continued to show solid net sales in Q3 at US\$9.3b, after being the top fund market in Q2 with flows of US\$6.7b. Sales were driven by Japanese equities which was the second-best selling sector during the quarter, led by ETF sales. The Japan Nomura Topix Linked Listed Investment ETF, extended its position as the top-selling fund in Asia for the 7th successive quarter with sales of US\$3.3bn.
- Two of the top 4 best selling funds during the quarter came from HDFC in India as it streamlined its fund offerings. The HDFC Balance Advantage Fund was ranked second in terms of net sales US\$3.3b while HDFC Hybrid Equity Fund showed net sales of US\$2b. HDFC Balance Advantage Fund was formed from the merger between HDFC Prudence Fund and HDFC Growth Fund while HDFC Hybrid Equity Fund is a merger between HDFC Balanced Fund and HDFC Premier Multi-Cap fund—both effective from 1 June 2018.
- Over the third quarter, combined net inflows to fixed-income exceeded the net inflows to equities and mixed asset. The second-best selling sector, Equities Japan, actually saw net outflows in five markets—Australia, Hong Kong, India, South Korea and Taiwan. It was only strong buying interest in Japan that lent support to the sector. Meanwhile, Bonds CNY saw net inflows in China, underscoring the strong impact of Bond Connect. Taiwan also showed healthy net inflows for Bond CNY but there were net outflows in Hong Kong.
- The number of fund launches rose from 770 in the second quarter to 819 in the third quarter while the number of closures fell from 645 to 556 over the same periods. In the 12 months to end-September 2018, South Korea saw the most launches at 1,034. The two most popular sectors for fund launches in that period were Bond CNY and Allocation, with net sales of US\$19.2b and US\$15.7b, respectively.
- The most successful fund launch over the 12 months to end-September was the BNYMellon Mobility Innovation Fund. Launched in Japan in January 2018, the actively managed fund will typically hold 40-60 companies globally, focused in innovation in transportation and related technologies. It has garnered US\$2.8b in net sales since it was launched.

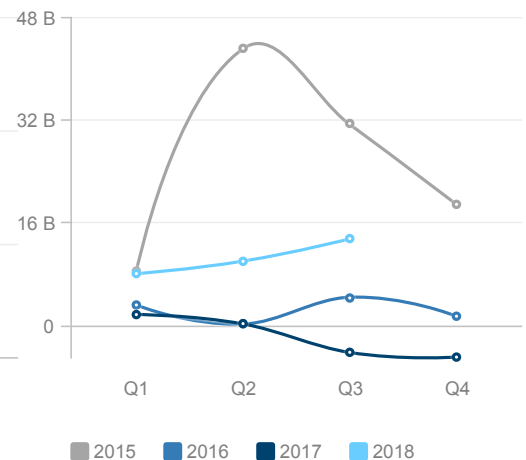
Cumulative net sales by year (\$bn) - Active



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



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



Best Selling Markets

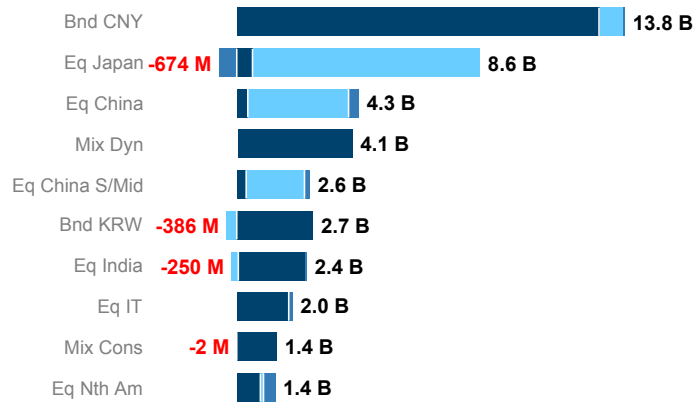
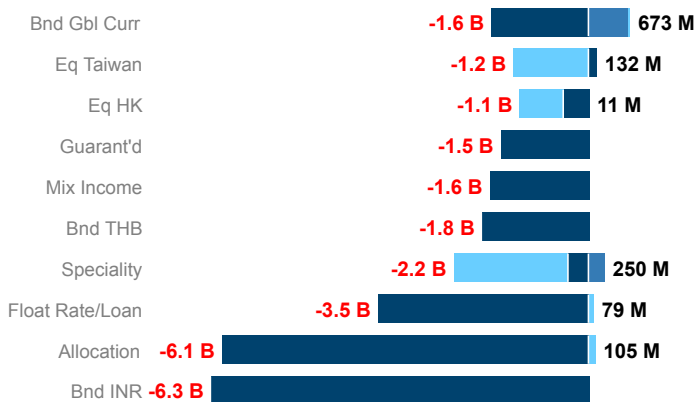
Asia top 5 markets by net sales - latest quarter (\$bn)

Fund Market	Assets	Previous quarter net sales	Latest quarter net sales	Bottom selling fund	Top selling fund
China	495.3 B	2.8 B	11.6 B	-0.8 B	2.7 B
Japan	673.8 B	6.1 B	9.3 B	-1.0 B	1.6 B
South Korea	104.5 B	3.6 B	2.4 B	-0.2 B	0.3 B
Taiwan	56.7 B	3.8 B	1.9 B	-0.4 B	0.2 B
Indonesia	26.4 B	1.2 B	0.8 B	-0.1 B	0.1 B

Best Selling Sectors

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

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



INDEX TRACKING ETFs ACTIVE

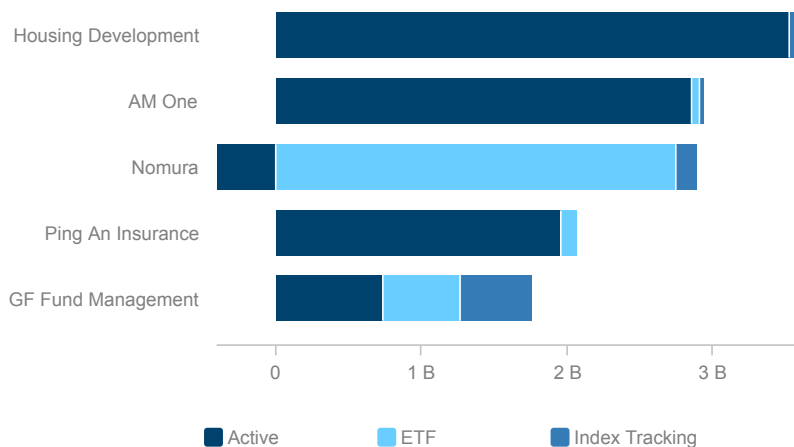
Fund Sector	Quarter/Year	Q3/2018								Sum
		Australia	China	Hong Kong	India	Japan	Singapore	South Korea	Taiwan	
Equities Japan	Equity	-3		-36	-0	8,124	3	-23	-3	8,062
Equities China	Equity	3	4,546	-496		49	-6	-31	105	4,171
Equities China Mid/Small Caps	Equity		2,556	11				-0	-2	2,565
Equities India	Equity	-0		-11	2,537	-216	-53	-28	-22	2,206
Equities Information Technology	Equity	34	68	11	93	1,628	9	-3	114	1,955

Fund Sector	Quarter/Year	Q3/2018							Sum
		Australia	China	Hong Kong	Japan	Singapore	South Korea	Taiwan	
Bonds CNY	Bond		12,828	-15		-3	-10	958	13,759
Bonds KRW	Bond						2,328		2,328
Bonds Target Maturity	Bond					13		1,080	1,092
Bonds Global Corporates	Bond	-8			789	-17		14	777
Bonds USD	Bond		-69	4	-226		-46	1,068	731

Fund Sector	Quarter/Year	Q3/2018								Sum
		Australia	China	Hong Kong	India	Japan	Singapore	South Korea	Taiwan	
Mixed Assets Dynamic	Mixed	200	1,009	-161	3,333	27	2	-58	-7	4,346
Mixed Assets Conservative	Mixed	7	715	-102	120	560	18	35		1,354
Asset Allocation Alternative	Mixed	387	-51		-74	129	-1		-7	384
Mixed Assets Target Maturity	Mixed					2		103		105
Life Cycle	Mixed		-4			10	-1	0		5

Best Selling Groups and Best Selling Funds

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



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

Master Group	NAT	Assets	Net Sales
Nomura	JP	195.0 B	20.4 B
Sumitomo / Nikko	JP	118.3 B	13.6 B
Daiwa	JP	104.0 B	9.1 B
AM One	JP	13.4 B	8.1 B
Housing Development	IN	30.2 B	7.3 B

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

Master Group	NAT	Assets	Net Sales
AM One	JP	13.1 B	7.9 B
Housing Development	IN	30.1 B	7.4 B
Sumitomo / Nikko	JP	53.1 B	6.1 B
Maxwealth Fund	CI	8.1 B	5.9 B
YINHUA	CI	11.2 B	4.4 B

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

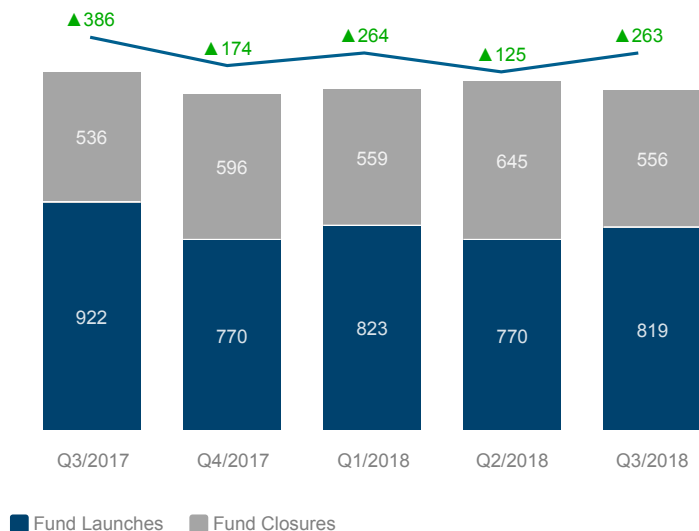
Fund Name	Domicile	Investment Type	Sector	Strategy	Net Sales
Nomura Topix Linked Listed Investment	Japan	Equity	Equities Japan		3.3 B
HDFC Balance Advantage Fund	India	Mixed Assets	Asset Allocation		3.3 B
China Southern 3 Years Operation Strategy Flexible Fund	China	Mixed Assets	Asset Allocation		2.7 B
HDFC Hybrid Equity Fund	India	Mixed Assets	Mixed Assets Dynamic		2.0 B
Lion LianChuang ShunXin Bond Fund	China	Bond	Bonds CNY		1.5 B
Nikko Listed Index Fund TOPIX	Japan	Equity	Equities Japan		1.3 B
Daiwa Topix Linked Listed Investment	Japan	Equity	Equities Japan		1.3 B
China Southern CSI 500 ETF	China	Equity	Equities China Mid/Small Caps		1.1 B
AM-One Global High Quality Growth Equity Fund (2Y) NH	Japan	Equity	Equities Global		1.1 B
Ping-An UOB Short Term Bond Fund	China	Bond	Bonds CNY		1.1 B

Asia bestselling fund each quarter (\$bn)

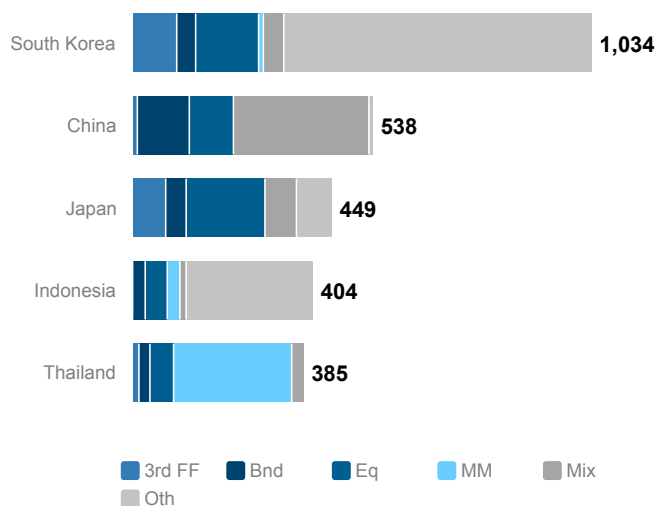
Fund Name	Domicile	Investment Type	Quarter/Year	Strategy	Net Sales
Nomura Topix Linked Listed Investment	Japan	Equity	Q3/2018		3.3 B
			Q2/2018		3.1 B
			Q1/2018		8.7 B
			Q4/2017		2.5 B
			Q3/2017		5.0 B
			Q2/2017		2.0 B
			Q1/2017		7.0 B
Bosera YueChu Bond Fund	China	Bond	Q4/2016		4.5 B
ICBCCS HengXiang Bond Fund	China	Bond	Q3/2016		7.2 B
BOSC HuiTianLi Bond Fund	China	Bond	Q2/2016		1.2 B
Nomura Nikkei 225 Index Linked Listed Investment	Japan	Equity	Q1/2016		3.4 B

Product Development

Asia historical fund launches & closures



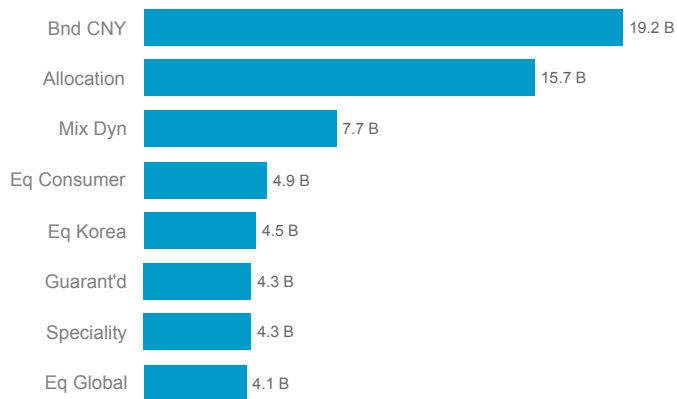
Number of fund launches by country - latest 12M



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

Master Group	NAT	# Funds	Net Sales
AM One	JP	1	0.7 B
KGI Securities	TW	4	0.3 B
Bank Ayudhya	TH	2	0.2 B
Schroders	GB	1	0.2 B
Invesco	US	1	0.2 B
Tata	IN	1	0.2 B
Housing Development	IN	1	0.2 B
Thanachart	TH	1	0.2 B
Sundaram	IN	1	0.1 B
TCB Asset	TW	1	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
BNYMellon Mobility Innovation Fund	Japan	Equity	2018-01	2.8 B
China Southern 3 Years Operation Strategy Flexible Fund	China	Mixed Assets	2018-07	2.7 B
AM-One Emerging Country High Quality Growth Equity F	Japan	Equity	2017-12	2.4 B
SMAM Nikko FW Japan Bond Fund	Japan	Fund of Funds (in-house)	2017-10	2.0 B
SMT Next Gen Related World Equity Strategy Fund	Japan	Fund of Funds (ex-house)	2017-12	1.9 B
Lion LianChuang ShunXin Bond Fund	China	Bond	2018-05	1.5 B
DaiwaSB Global EV Revolution Fund (Non Hedged)	Japan	Equity	2018-01	1.5 B
SMAM Future Biotech	Japan	Fund of Funds (ex-house)	2018-06	1.3 B
JPM The Japan (4Y)	Japan	Equity	2017-10	1.2 B
Harvest Core Advantage Equity Fund	China	Equity	2018-02	1.1 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: Q3 2018

