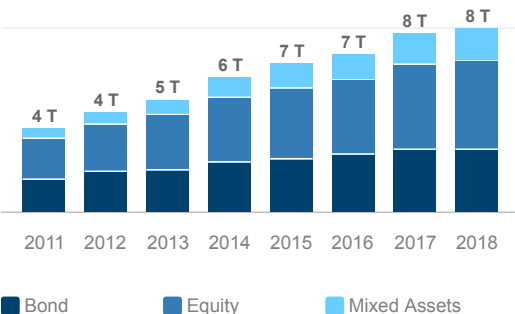


FundFlash Monthly Snapshot of European Trends



European assets by investment type



Aug 2018 net sales of long term funds

-€2.3 B

YTD net sales of long term funds

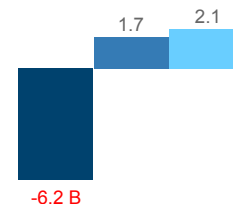
€123.7 B

Asset Growth month on month

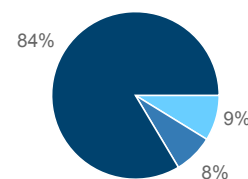
-0.27%

Passive vs Active overview (€B) in Aug 2018

Net sales



Assets



August in brief

- Net flows are muted as Europe basks in the August heatwave. The month's long-term sales sum to a relatively neutral -€2.3bn.
- Money market funds are also in outflow, though at -€2.5bn, sales volumes are on the quiet side compared to more extreme swings seen in other months this year.
- No reprieve for active managers – while passive funds chalk up an aggregate €3.9bn of new business, active funds wave goodbye to €6.2bn.
- Bond funds represent the main pressure point for active managers, with almost €7bn withdrawn. Global currency and corporate bonds are particularly unloved.
- Pro-US sentiment supports a continued stream of money into global and US equities, but mixed assets once again rule the roost at asset-class level, despite registering just €2.2bn of net inflows – their weakest in over two years.
- Unicredit edges ahead of Vanguard to be the month's bestselling group thanks to the launch of a number of funds by its Fineco Asset Management subsidiary.
- No change in terms of bestselling fund – Allianz Income and Growth attracts €1.3bn in August.

Demand evaporates as summer sizzles

Though traditionally deemed a quiet holiday month, August doesn't always live up to expectations: recent years have seen fund flows dance to a more upbeat tempo. But in 2018, sales were indeed suggestive of a seasonal slowdown, with the region's asset managers registering mild net redemptions of just -€2.3bn. The most 'extreme' flows were to be found in the bond arena, where €5.6bn was withdrawn. Ongoing emerging market woes were one driver, with sentiment towards China taking a dent from the intensifying trade war, the US slapping fresh sanctions on Russia and Iran, and Turkey and Argentina facing deepening economic crises. Global corporate bonds were also jettisoned but outflows from global currency bond products were more a function of unimpeded redemptions from PIMCO's GIS Income blockbuster.

America was again flavour of the month. Global and US equity funds led the sector league, welcoming a combined €4.8bn goldrush as local stock markets spiralled ever higher. But another worthy contender was the healthcare equity sector. Despite being a niche space of just 122 individual funds, it was able to generate net sales of €1.4bn in August, with a number of products (both active and passive) making significant contributions. Despite the sales strength of these sectors, equity funds as a whole welcomed only €1bn of net flows this month, with Japanese and UK equities exerting a drag effect.

This left the mixed asset class once again leading the sales march, though its net intake was meek at just over €2bn and heavily reliant on the bestselling Allianz product, and two new (or near-new) launches; without these three offerings, sales would have been flat.

Looking ahead

US political intrigue notwithstanding, demand for US-focused funds looks set to have continued into September – but the outlook for other sectors is less clear. The rout from emerging markets spread to other countries early in the month but some of these will have breathed a sigh of relief at the rising price of oil, where it plays a role

European Net Sales by Investment Type (€bn)

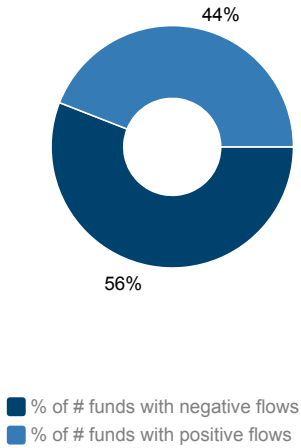
Investment Type	Sep 2017	Oct 2017	Nov 2017	Dec 2017	Jan 2018	Feb 2018	Mar 2018	Apr 2018	May 2018	Jun 2018	Jul 2018	Aug 2018
Bond	16,416	17,686	29,578	18,709	31,695	-7,912	4,268	318	-16,407	-13,695	4,557	-5,562
Equity	15,307	17,354	12,489	11,217	43,474	11,657	4,022	6,955	-4,414	-6,941	-1,111	1,001
Mixed	8,734	15,591	12,398	14,491	19,531	14,613	12,135	5,403	7,635	5,309	3,760	2,183
Money Market	-16,161	20,919	-1,833	-17,577	33,221	-33,066	-7,922	10,248	-10,064	-16,397	10,206	-2,580
Rest	-1,162	163	4,545	3,577	2,445	215	1,605	1,692	-3,344	395	-1,916	91

Top Markets by Sales - Latest Month (€bn)

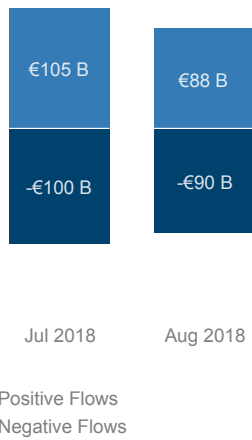
Fund Market	Assets	Previous month Net Sales	Latest Net Sales	Bottom selling fund	Top selling fund
Switzerland	462 B	-0.2 B	1.2 B	-0.3 B	0.6 B
Germany	629 B	0.6 B	1.2 B	-0.1 B	0.2 B
Italy	474 B	0.7 B	1.1 B	-0.2 B	0.3 B
Sweden	283 B	0.9 B	0.8 B	-0.1 B	0.2 B
Netherlands	92 B	0.0 B	0.1 B	-0.1 B	0.1 B
Hungary	8 B	-0.1 B	0.0 B	-0.0 B	0.1 B

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

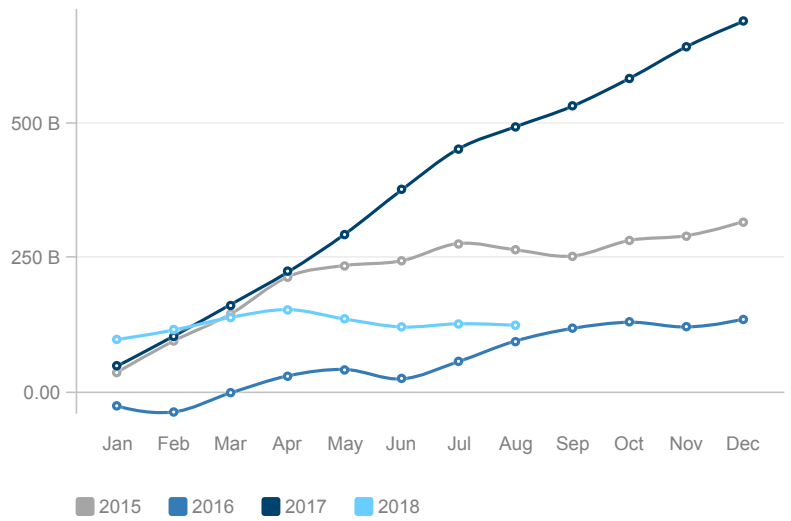
Flow sentiment



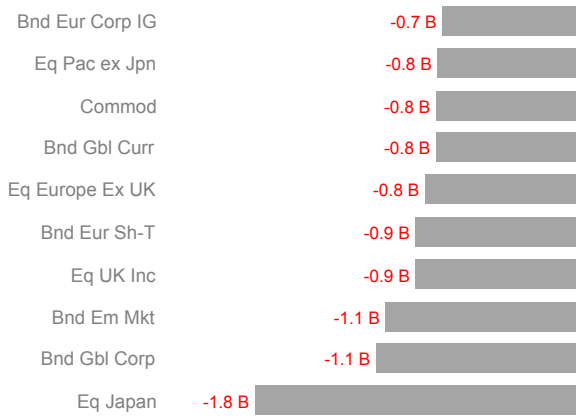
Positive net sales vs Negative net sales



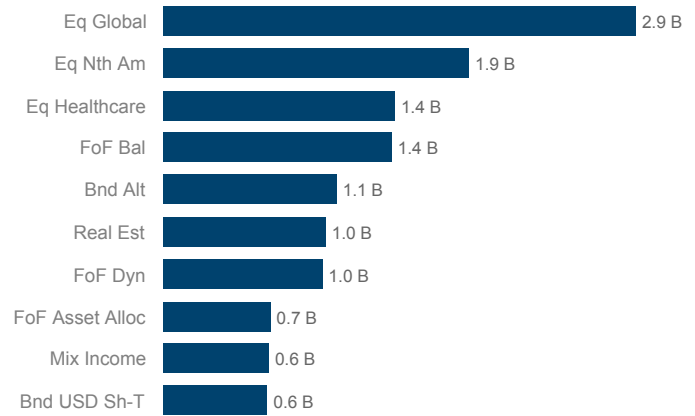
Cumulative net sales by year (€bn)



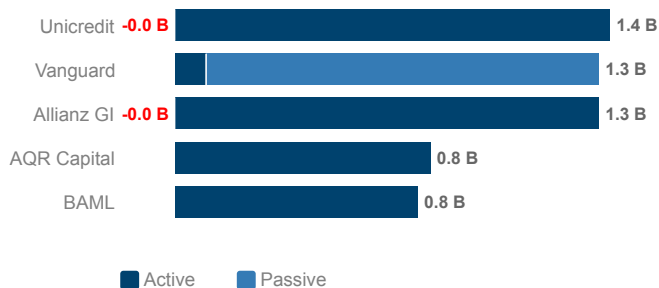
Bottom 10 selling sectors - Latest month (€bn)



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	655.5 B	32.2 B
Amundi	FR	304.3 B	16.7 B
UBS	CH	275.0 B	16.0 B
Natixis	FR	95.3 B	15.1 B
Intesa SP	IT	187.6 B	14.0 B

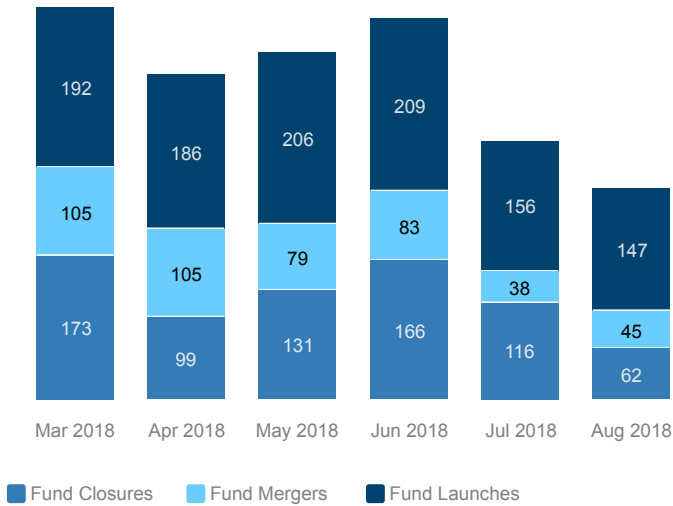
Top 10 Selling Funds - Latest month (€m)

Fund Name	Fund Domicile	Fund Investment Type	Net Sales
Allianz Global Investors Fund - Allianz Income and Growth	Luxembourg	Mixed Assets	1,267
Merrill Lynch Investment Solutions - Global Debt-Government UCIT	Luxembourg	Bond	982
BlackRock ACS UK Equity Tracker	United Kingdom	Equity	778
Vanguard Funds Plc - Vanguard S&P 500 UCITS ETF	Ireland	Equity	587
iShares Emerging Market Bond Index	Switzerland	Bond	578
iShares \$ Floating Rate Bond UCITS ETF	Ireland	Bond	563
iShares Core S&P 500 UCITS ETF (USD)	Ireland	Equity	520
AQR Lux Funds - AQR Macro Total Return Fund	Luxembourg	Mixed Assets	498
H2O Adagio	France	Bond	379
Mercer Tailored Credit Fund	Ireland	Bond	344

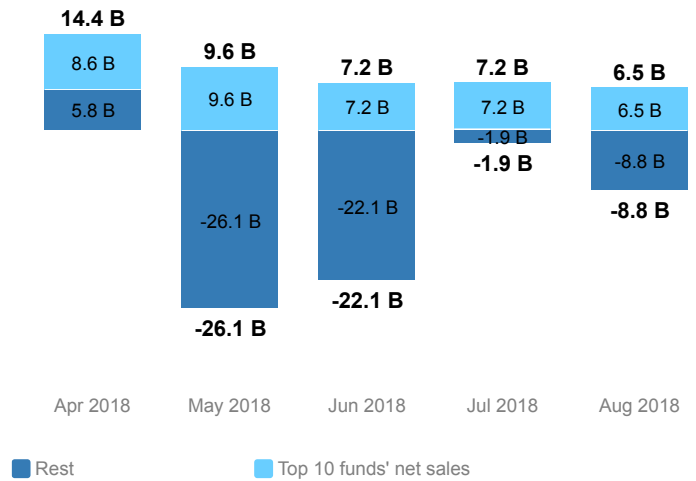
Best Sellers by Month (€bn)

Fund Name	Fund Domicile	Type	Month/Year	Net Sales
Allianz Global Investors Fund - Allianz Income and Growth	Luxembourg	Mix	Aug 2018	1.3 B
			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
Gestuelle 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

Historical fund launches & closures



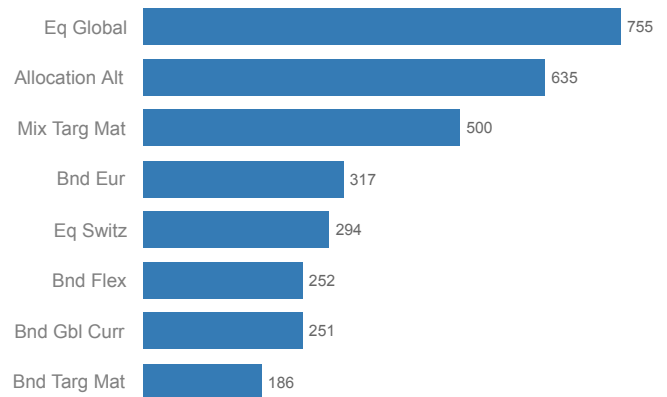
Proportion of net sales of the top ten selling funds



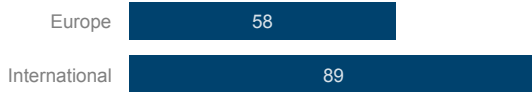
Fund launches by group - Latest month (€m)

Master Group	# Funds	Net Sales
Unicredit	11	1,354
Intesa SP	14	583
AQR Capital	1	498
Telco	2	446
Legal & General	6	313

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
AQR Lux Funds - AQR Macro Total Return Fund	LU	Mixed Assets	2018-08	498
Fidelity World FAM Fund	IE	Equity	2018-08	317
Telco Classic - Aktien Schweiz	CH	Equity	2018-08	294
M&G Optimal Income FAM Fund	IE	Bond	2018-08	252
Fidelity Euro Bond FAM Fund	IE	Bond	2018-08	239
L&G Global Developed Four Factor Scientific Beta Index	GB	Equity	2018-08	189
Eurizon Difesa 100 - 2017/5	IT	Mixed Assets	2018-08	157
Telco Classic - Obligationen Welt	CH	Bond	2018-08	153
Franklin USD Diversified Bond Fund III	CY	Bond	2018-08	144
Eastspring Investments Asian Investment Grade Bond Fund	LU	Bond	2018-08	114

Data in EURO as at: Aug 2018

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