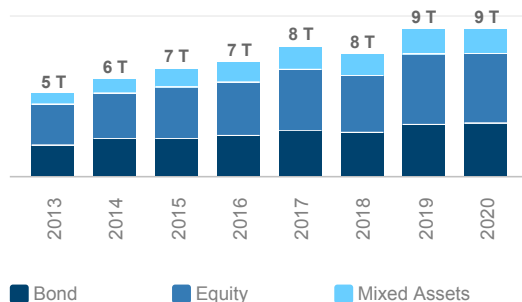


# FundFlash Monthly Snapshot of European Trends



## European assets by investment type



## Jan 2020 net sales of long term funds

€44.3 B

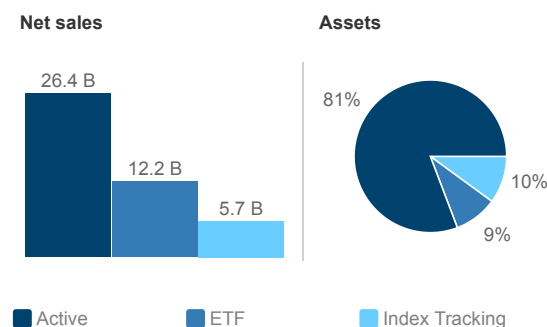
## Dec 2019 net sales of long term funds

€57.4 B

## Asset Growth month on month

+0.96%

## Passive vs Active overview in Jan 2020



## January in brief

- The year begins well with €44bn of new money flowing into European long-term funds. The total is below expectations after December's high point, but still well above the ten-year average for January.
- Money market funds add another €44bn to the total, producing the category's strongest January since the height of the financial crisis.
- The mix of flows is more weighted toward active funds, which take 60% of the long-term total. Active equities are also positive with €1.3bn of net sales.
- Bond funds are the clear winners as asset allocation models for the coming year are rebalanced to take account of last year's strong performance on the equity markets.
- Global currency bond funds take the largest volume of new money – nearly €6bn.
- Bulge-bracket houses are favoured with BlackRock the undisputed leader with €8bn of inflows. JP Morgan, PIMCO and DWS are the followers but each with less than half BlackRock's take.
- Income features in January's most popular funds. JP Morgan's flexible bond Income fund is the sales winner with PIMCO's GIS Income fund close behind.

## Half-baked but with a promising oven rise

With 2019 ending on a promising high point, January – often the European industry's best month of the year – delivered less than promised. The net sales picture revealed a lot of positives; every asset class was in the black, a rare event that last occurred in April 2018, actively managed funds were in demand again, and appetite for risk in the form of equity purchases remained solid, if a little anaemic.

It could have all been so much better but with the new year came news of Covid-19 and although a slow-burn story in its early weeks, it began to spook the markets and particularly many European bourses. Appetite for equities undoubtedly slowed as a result. However, stocks are a ticking time bomb in the wealth management arena, not least because stand-out performance, as seen last year, forces wealth managers to boost bond purchases in order to maintain correct asset allocations in their client portfolios. This will have been a factor driving higher fixed income flows at the expense of equity funds.

Investor concerns were also evident in the strength of safe haven products. Money market funds recorded their best January since 2008 and, in the long-term sectors, support for real estate (€1.2bn) was on the rise while commodity funds enjoyed inflows of €2bn, the largest volumes going to gold ETFs.

## Looking ahead

Sharp falls on global stock markets in February marked escalating fear that Covid-19 could reach pandemic levels that would adversely affect our fragile global economy. The market was ready to be spooked into a correction and fund sales in February are likely to take a hit as investors rush to protect their profits. At this early stage it is hard to predict whether this response will lead to a fire sale and redemptions, or a more determined retreat to perceived safe haven products. Bond funds have tended to thrive in a weak economic climate because of a firm belief that Central Banks will step in. Their fortunes could therefore be insulated against the worst effects of the virus.

## European Net Sales by Investment Type (€m)

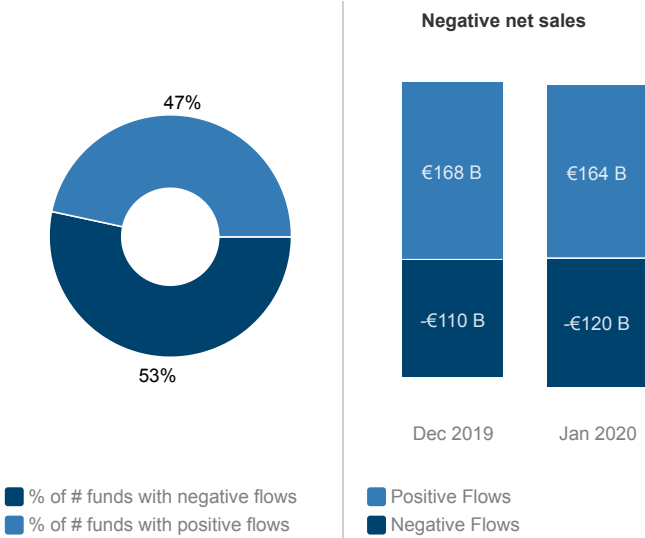
Investment Type	Feb 2019	Mar 2019	Apr 2019	May 2019	Jun 2019	Jul 2019	Aug 2019	Sep 2019	Oct 2019	Nov 2019	Dec 2019	Jan 2020
Bond	17,453	25,258	26,436	18,492	32,448	32,401	26,212	13,985	30,064	13,960	25,326	25,141
Equity	-1,697	-21,238	-13,512	-19,258	-4,575	-3,153	-24,366	9,706	2,237	21,394	27,999	11,852
Mixed	-4,051	-6,165	-3,217	-4,318	-338	-3,951	-1,824	3,027	1,723	6,606	5,525	5,337
Money Market	-13,829	1,696	7,445	8,608	-14,588	42,478	44,666	-16,224	-2,085	3,391	-11,274	43,961
Rest	512	-2,386	222	2,269	1,034	470	-167	-1,177	1,194	-1,436	-1,466	1,977

### Top Markets by Sales - Latest Month (€bn)

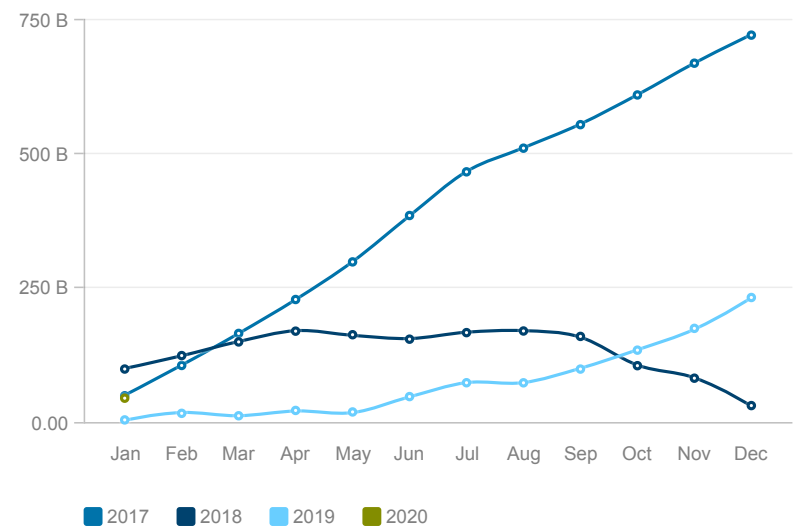
Fund Market	Assets	Previous month Net Sales	Latest Net Sales	Bottom selling fund	Top selling fund
International *	5,002 B	37.4 B	34.1 B	-1.3 B	1.6 B
Switzerland	549 B	5.1 B	5.2 B	-0.2 B	0.4 B
Germany	695 B	2.6 B	4.8 B	-0.4 B	0.3 B
Belgium	136 B	0.1 B	2.1 B	-0.7 B	0.4 B
Sweden	400 B	5.0 B	1.3 B	-0.3 B	0.5 B
Turkey	7 B	0.7 B	0.9 B	-0.0 B	0.1 B

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

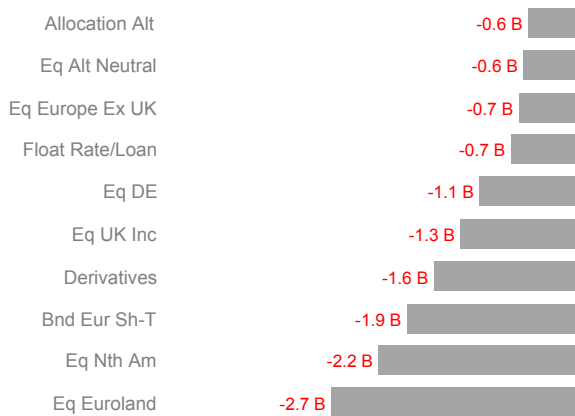
### Flow sentiment



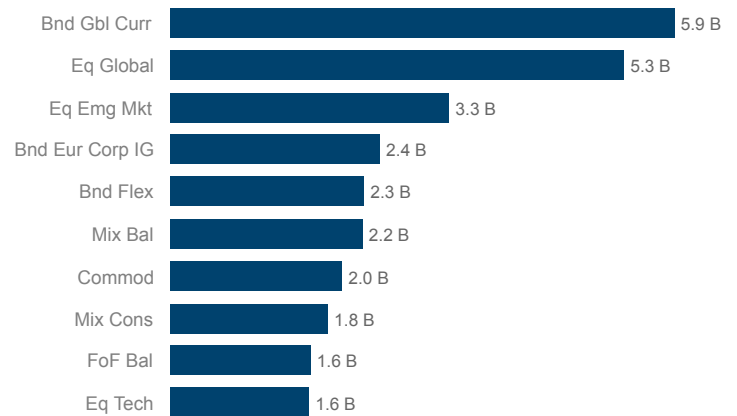
### Cumulative net sales by year (€bn)



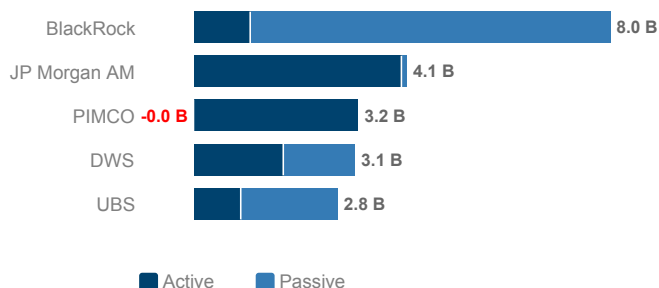
### Bottom 10 selling sectors - Latest month (€bn)



### 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	797.8 B	53.6 B
PIMCO	US	194.8 B	41.6 B
Vanguard	US	188.8 B	21.0 B
Credit Suisse	CH	179.9 B	19.9 B
AB	US	91.0 B	18.0 B

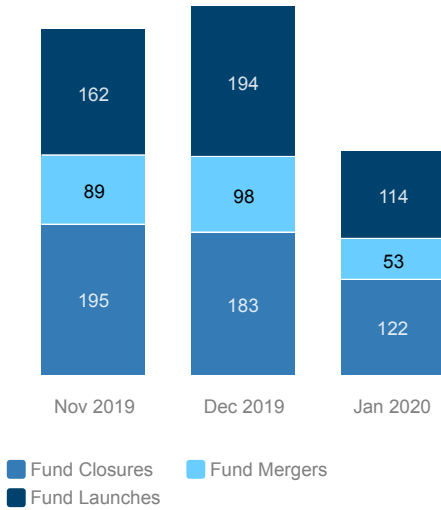
### Top 10 Selling Funds - Latest month (€m)

Fund Name	Fund Domicile	Investment Type	Fund Strategy	Net Sales
JPMorgan Funds - Income Fund	Luxembourg	Bond	Active	1,570
PIMCO GIS Income Fund	Ireland	Bond	Active	1,360
BlackRock ACS World Low Carbon Equity Tracker	United Kingdom	Equity	Passive	826
PIMCO GIS Diversified Income Fund	Ireland	Bond	Active	807
iShares Physical Gold ETC	Ireland	Commodity	Passive	770
Renaissance Institutional Equities International LP	Bermuda	Hedge	Active	743
iShares J.P. Morgan \$ Emerging Markets Bond UCITS ETF	Ireland	Bond	Passive	662
AB FCP I American Income Portfolio	Luxembourg	Bond	Active	605
SEB Institutionell Obligationsfond SEK	Sweden	Bond	Active	548
Caixabank Master Renta Fija Corto Plazo FI	Spain	Bond	Active	503

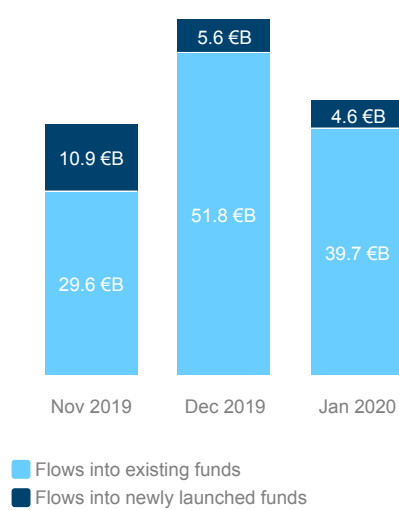
### Best Sellers by Month (€bn)

Fund Name	Fund Domicile	Type	Month/Year	Net Sales
JPMorgan Funds - Income Fund	Luxembourg	Bnd	Jan 2020	1.6 B
Pictet (CH) Institutional - North-American Equities Tracker (US Tax exempt)	Switzerland	Eq	Dec 2019	2.2 B
FP Brunel High Alpha Global Equity	United Kingdom	Eq	Nov 2019	3.2 B
State Street Global Advisors Lux SICAV - Global Treasury 1-10 Year Bond Index	Luxembourg	Bnd	Oct 2019	1.4 B
UBS ETFs plc - MSCI ACWI SF UCITS ETF	Ireland	Eq	Sep 2019	3.3 B
Focused Sicav - US Treasury Bond USD	Luxembourg	Bnd	Aug 2019	6.1 B
UBS ETFs plc - MSCI ACWI SF UCITS ETF	Ireland	Eq	Jul 2019	3.7 B
PIMCO GIS Income Fund	Ireland	Bnd	Jun 2019	3.5 B
ACTIAM (L) Sustainable Euro Fixed Income Fund	Luxembourg	Bnd	May 2019	2.9 B
Fundsmith Equity Fund Sicav	Luxembourg	Eq	Apr 2019	2.9 B
PIMCO GIS Income Fund	Ireland	Bnd	Mar 2019	1.9 B
UBS ETFs plc - MSCI ACWI SF UCITS ETF	Ireland	Eq	Feb 2019	3.3 B

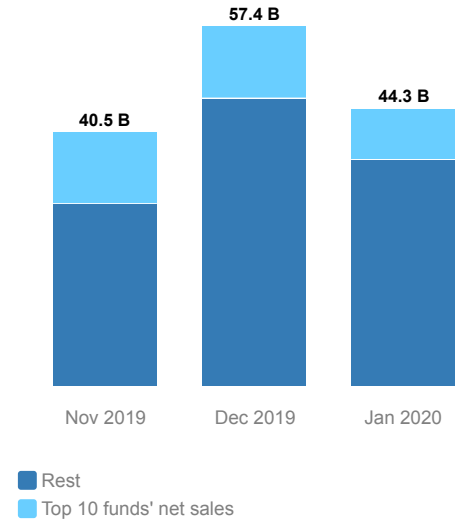
### Historical fund launches & closures



### New launch flows vs existing funds



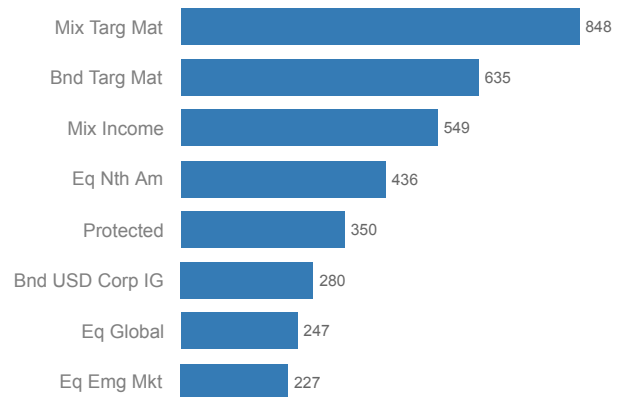
### Net sales of the top10 selling funds vs the rest



### Fund launches by group - Latest month (€m)

Master Group	# Funds	Net Sales
Banque Degroof	2	518
HSBC	1	499
ANIMA	5	479
UBS	2	367
Legal & General	10	348

### 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
HSBC GIF US Income Focused	LU	Mixed Assets	2020-01	499
DPAM CAPITAL B Equities US ESG Leaders Index	BE	Equity	2020-01	420
UBS Asian Bonds Series 5	CY	Bond	2020-01	320
Mercer Global Investments - Mercer Investment Fund 18	IE	Bond	2020-01	280
Anima Investimento Circular Economy 2025	IT	Mixed Assets	2020-01	254
CS Investment Funds 3 - CS (Lux) Fixed Maturity Bond Fund 2024 S-V	LU	Bond	2020-01	223
Comgest Growth Emerging Markets Plus	IE	Equity	2020-01	222
Arca 2024 Reddito Multivalore Plus XI	IT	Mixed Assets	2020-01	166
Allianz European Pension Investments - Allianz Neo ISR 2019	LU	Other	2020-01	159
DeAWM Fixed Maturity Multi Asset 2026 III	LU	Mixed Assets	2020-01	138

Data in EURO as at: Jan 2020

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