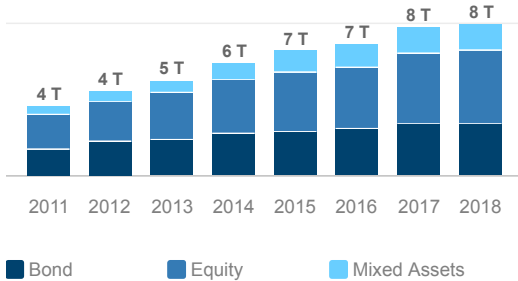


# FundFlash Monthly Snapshot of European Trends



## European assets by investment type



## Jan 2018 net sales of long term funds

€93.8 B

## Dec 2017 net sales of long term funds

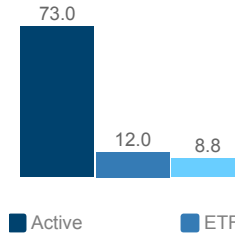
€42.0 B

## Asset Growth month on month

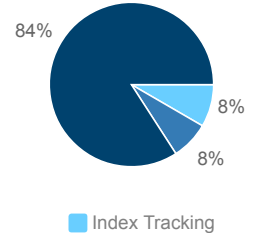
+1.76%

## Passive vs Active overview (€B) in Jan 2018

### Net sales



### Assets



## January in brief

- No end just yet to the record-breaking run of sales seen throughout 2017 as long-term funds attract their best ever monthly result in January: €94bn.
- Money market funds contribute a further €34bn of inflows to the month's new-business tally, taking the total monthly inflow to a never-before-seen €128bn.
- Active funds remain in the driving seat, accounting for €73bn of the month's net takings. This is true even of equity funds, where almost two thirds of net subscriptions are logged in actively managed offerings.
- Equity funds form the life and soul of the party as 2018 gets underway, garnering an unprecedented €43bn.
- Twenty-six sectors welcome net inflows in excess of €1bn, with the broad global equities and global currency bonds spaces leading the pack.
- It's a month in which asset-management powerhouses dominate; BlackRock stands at the top, followed by UBS and PIMCO.
- The bestselling-fund accolade belongs to Baillie Gifford Global Alpha Growth, thanks to a hefty institutional injection.

## Hold on to your hats

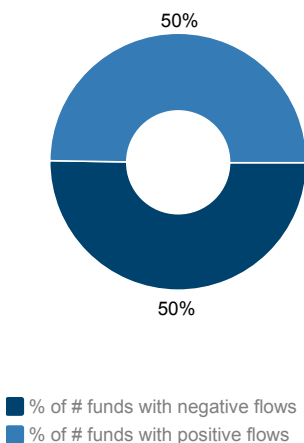
January is typically a good month for fund flows in Europe, as investors return from the winter holidays and reallocate portfolios. But spirits were unusually high this year. The €94bn of long-term flows towered over any previous monthly result, while a further €34bn of money market inflows sent total subscriptions soaring above the €100bn mark to €128bn – a simply exceptional volume of new business. Perhaps most surprising was the sheer demand for equities, an asset class that has for years struggled to retake the crown as Europe's bestselling fund-investment arena (though it remains the largest by assets). While concerns continue to be aired that the current market cycle is long in the tooth, buoyant global economic data and soaring stock markets provided plenty of fuel for the month's fiery flows. Mixed asset sales hit their highest level in over two years (€19bn) and bond fund demand was at its strongest in six months (€31bn), despite rising yields continuing to weigh on prices in the important sovereign-debt space.

Investors shovelled money into a multitude of different areas. Generalist sectors such as global equities and global currency bonds received the largest sums (with a number of purely institutional funds among the bestsellers) but emerging market equities and bonds, and most other large sectors in the core asset classes were high on buy lists. While passive funds raked in healthy new takings, the heartier appetite for actively managed products is symptomatic of anticipated market volatility in 2018, as the extremely loose monetary policy of the past decade looks set to be tightened in most major developed markets.

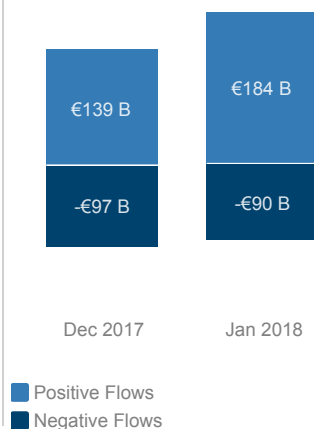
## Looking into the crystal ball

Concerns about volatility were certainly justified when judging the market upheaval of early February, and that month's sales are likely to look much flightier, even if its later weeks were calmer. Jay Powell is now in charge at the US Fed and – so far – appears fairly hawkish on the prospects of rate rises in the world's largest economy. Whether February's market wobbles are a blip akin to 2013's taper tantrum, or the beginnings of a more prolonged period of pain, remains to be seen. Professional fund investors may spot buying opportunities; retail investors could prove more nervous.

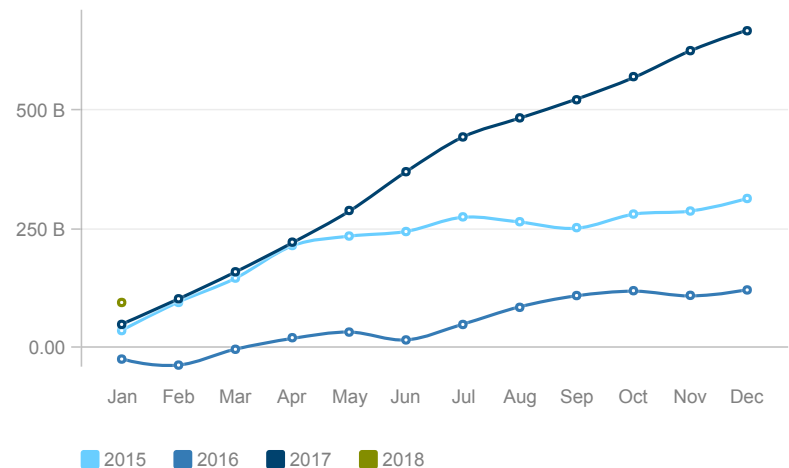
## Flow sentiment



## Positive net sales vs Negative net sales



## Cumulative net sales by year (€bn)

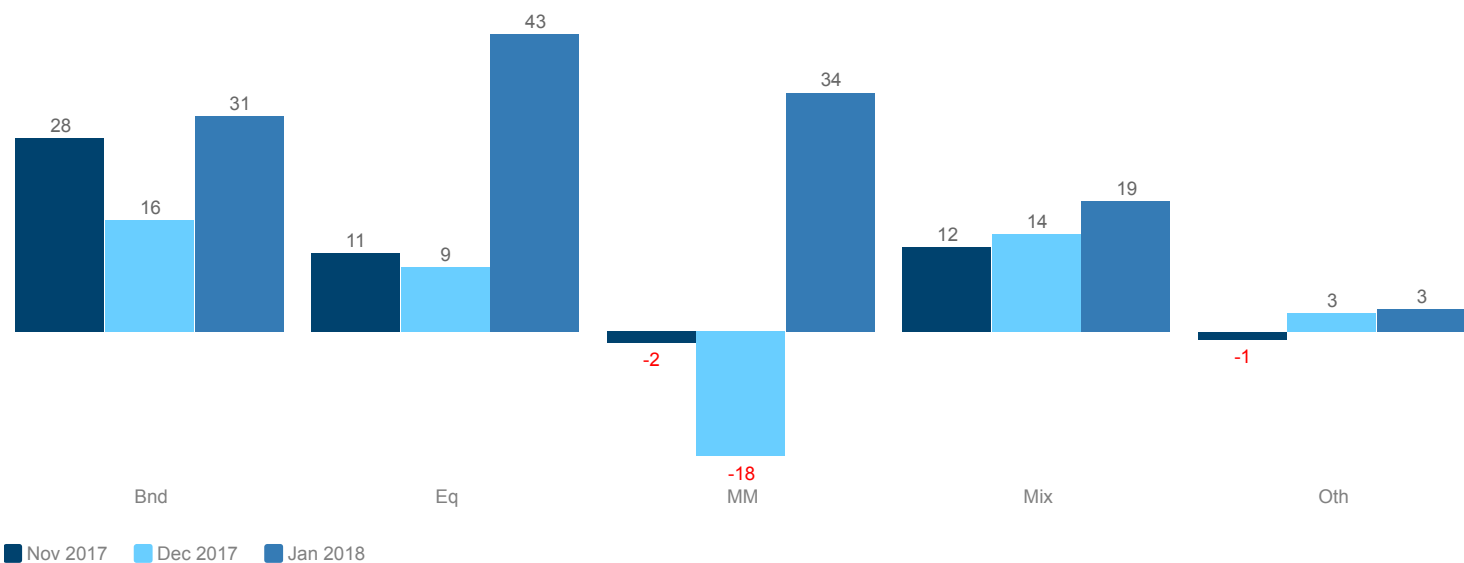


### Top Markets by Sales - Latest Month (€bn)

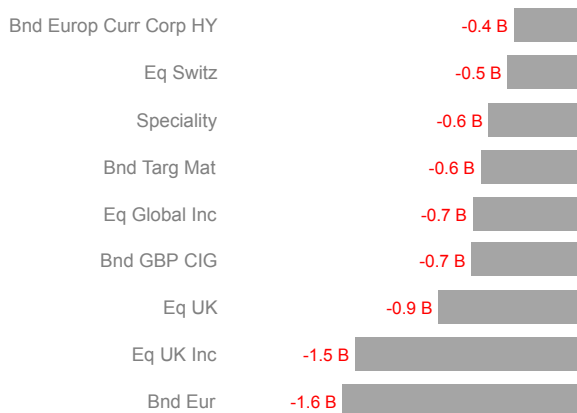
Fund Market	Assets	Previous month Net Sales	Latest Net Sales	Bottom selling fund	Top selling fund
International*	4,372 B	27.0 B	68.1 B	-0.9 B	2.9 B
Switzerland	447 B	1.0 B	6.3 B	-0.5 B	0.9 B
Germany	641 B	1.4 B	4.0 B	-0.1 B	0.5 B
United Kingdom	1,198 B	7.4 B	4.0 B	-0.4 B	4.0 B
France	406 B	2.1 B	3.5 B	-0.2 B	0.2 B
Netherlands	91 B	0.3 B	2.8 B	-0.1 B	0.9 B

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

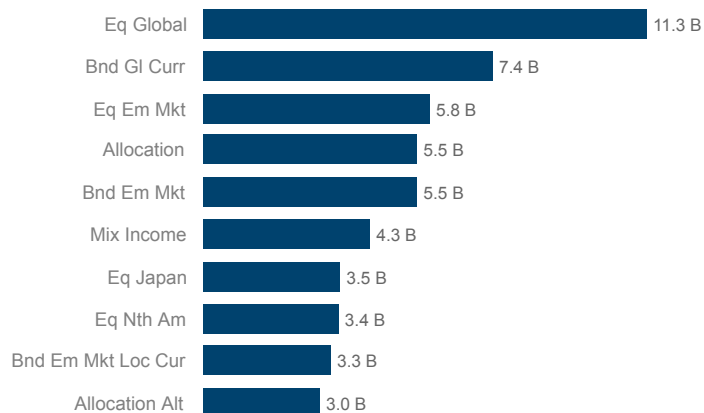
### European Net Sales by Investment Type (€bn)



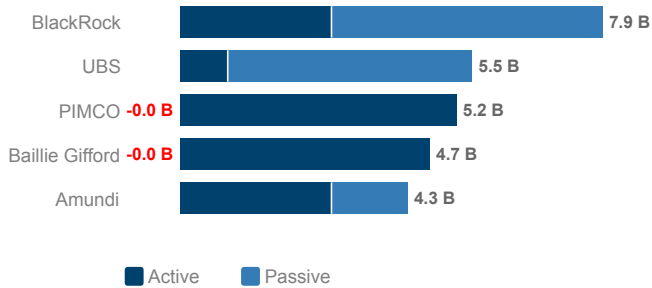
### Bottom 10 selling sectors - Latest month (€bn)



### 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	646.2 B	92.5 B
PIMCO	US	145.3 B	60.7 B
Amundi	FR	303.9 B	38.6 B
UBS	CH	249.4 B	23.1 B
Intesa SP	IT	188.2 B	21.6 B

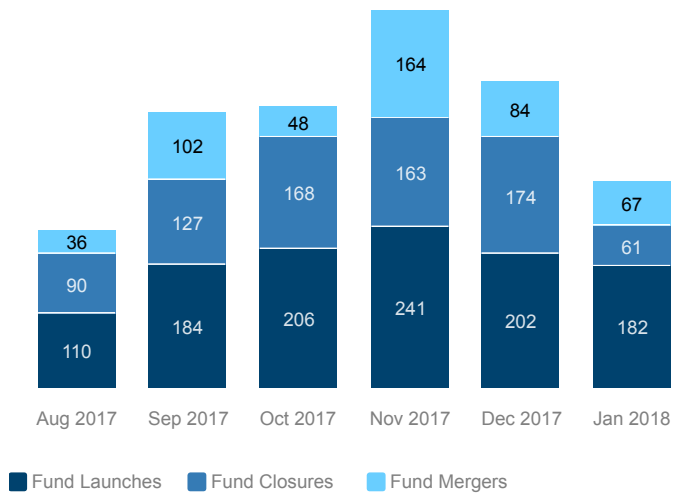
Top 10 Selling Funds - Latest month (€m)

Fund Name	Fund Domicile	Fund Investment Type	Net Sales
Baillie Gifford Global Alpha Growth	United Kingdom	Equity	4,045
PIMCO GIS Income Fund	Ireland	Bond	2,944
Mercer Global Investments - Mercer Investment Fund 10	Ireland	Mixed Assets	1,111
iShares STOXX Europe 600 (DE)	Germany	Equity	1,063
Eurizon Top Selection Marzo 2023	Italy	Mixed Assets	959
UBS (CH) Institutional Fund 2 - Equities Global Passive II	Switzerland	Equity	936
Robeco Customized Euro Government Bonds Fund	Netherlands	Bond	908
GAM Star Credit Opportunities (EUR)	Ireland	Bond	850
Old Mutual Global Equity Absolute Return	Ireland	Equity	821
iShares EURO STOXX 50 UCITS ETF (DE)	Germany	Equity	816

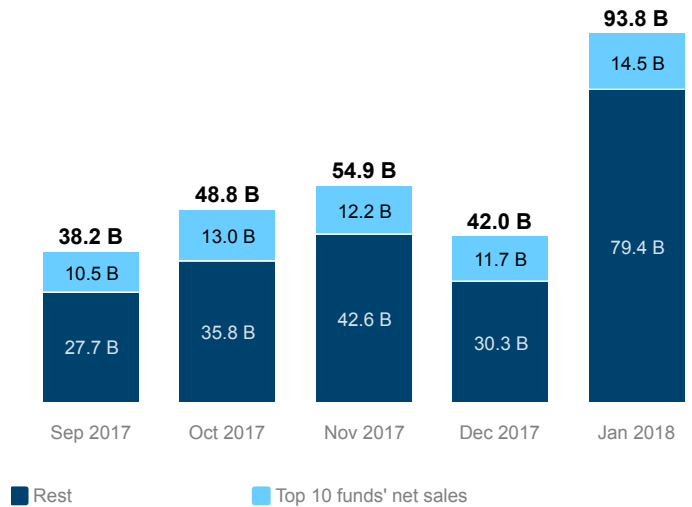
Best Sellers by Month (€bn)

Fund Name	Type	Month/Year	Net Sales
Baillie Gifford Global Alpha Growth	Eq	Jan 2018	4.0 B
Royal London UK Real Estate	Prop	Dec 2017	3.2 B
PIMCO GIS Income Fund	Bnd	Nov 2017	4.5 B
		Oct 2017	3.8 B
		Sep 2017	4.1 B
		Aug 2017	4.4 B
		Jul 2017	4.1 B
BlackRock ACS 50:50 Global Equity Tracker	Eq	Jun 2017	9.7 B
PIMCO GIS Income Fund	Bnd	May 2017	4.1 B
		Apr 2017	3.1 B
		Mar 2017	4.0 B
		Feb 2017	2.4 B

### Historical fund launches & closures



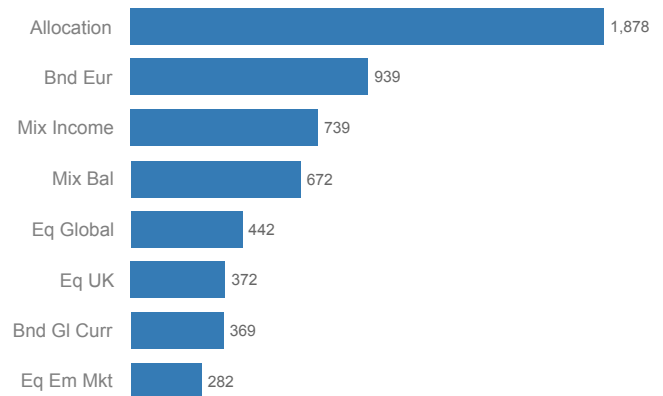
### Proportion of net sales of the top ten selling funds



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

Master Group	# Funds	Net Sales
MMC/Mercer	3	1,722
ORIX Europe	1	908
BP Cooperativa	2	842
HSBC	3	780
BIL	12	620

### 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
Mercer Global Investments - Mercer Investment Fund 10	IE	Mixed Assets	2018-01	1,111
Robeco Customized Euro Government Bonds Fund	NL	Bond	2018-01	908
HSBC GIF-Global Emerging Markets Multi-Asset Income	LU	Mixed Assets	2018-01	677
Gestielle Profilo Cedola III	IT	Mixed Assets	2018-01	638
Mercer Global Investments - Mercer Investment Fund 11	IE	Mixed Assets	2018-01	417
Baillie Gifford UK Equity Core	GB	Equity	2018-01	372
L&G Future World Equity Factors Index	GB	Equity	2018-01	225
Gestielle Investment Sicav - Cedola Risk Control Health Care II	LU	Bond	2018-01	204
Mercer Global Investments - Mercer Investment Fund 12	IE	Mixed Assets	2018-01	195
MFS Investment Funds - Blended Research Emerging Markets Equity Fund	LU	Equity	2018-01	194

Data in EURO as at: Jan 2018

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