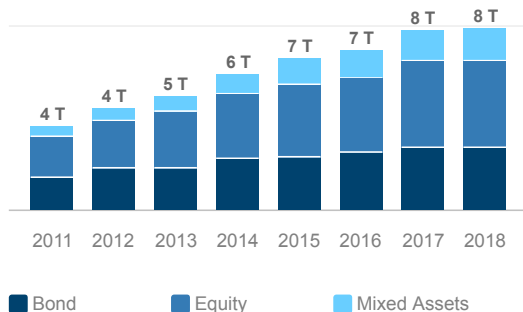


FundFlash Monthly Snapshot of European Trends



European assets by investment type



Jun 2018 net sales of long term funds

-€16.3 B

YTD net sales of long term funds

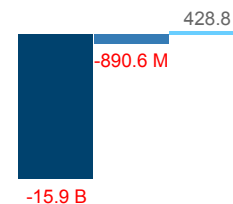
€114.0 B

Asset Growth month on month

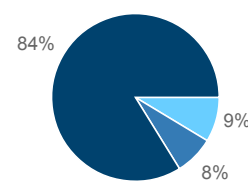
-1.17%

Passive vs Active overview (€B) in Jun 2018

Net sales



Assets



June in brief

- A second consecutive month of redemptions for the European fund industry. Long-term fund withdrawals were lighter than in May but still amount to -€16bn.
- With money market funds weighing in at -€16.5bn, total outflows steepen to their worst position since the taper tantrum of June 2013 (-€33bn).
- Active funds, the generator of most recent new money, remain the biggest contributor to current losses. But net ETF outflows also force the passive segment under water, albeit by a marginal -€403m.
- Mixed asset funds retain their mojo, although in rather diminished form. Net inflows of €5bn are one of the few good stories of the month.
- Despite steepening equity fund outflows, investors continue to back North America, which is the month's bestselling sector thanks to a handful of ETFs.
- With redemptions draining energy from Europe's bulge-bracket firms, the sales leader board is led by institutional gatekeeper, Mercers, with €2bn of new money.
- Europe's top-selling fund has a more retail bias; Allianz's Income & Growth fund leads the way with just under €1bn of net inflows.

Fighting Fear

Investors stayed on high alert in June withdrawing a further €16bn from their long-term fund holdings. This was a month that was rife with uncomfortable economic and geopolitical headlines. It also coincided with selectors' half-year review of client portfolios and the start of the European holiday season. Funds were therefore affected by outflows from nervous investors looking either to protect their savings or spend on holidays. For the money that stayed invested, selectors took the opportunity to reallocate to more promising sectors. The net result was a slight easing of outflows when compared with May and, on the bright side, the overall volume of fund assets remained higher than at the start of the year. By the half-year point the net sales total for long-term funds was €114bn, although it is worth remembering that €97bn of this total was invested in January alone.

Evidence of investor tension was clear to see in the lines of red that spread across the riskier fund categories. Bond funds contributed to the bulk of June's outflows, although they were under less pressure than in May. Most of last year's bestselling sectors were deep under water with emerging markets now adding to the general distress. This was even more evident in the equity space where, although withdrawals were at half the bond run-off, there was strong evidence of reallocations, particularly from active emerging markets funds to North American-focused ETFs. Europe and Japan were also high on selectors' sell lists. Here, ETFs also featured; on the upside they accounted for most of the North American equity inflows but equity ETFs still ended the month nursing nearly €2bn of redemptions.

The one bright spot in this difficult month was the sturdy and reliable mixed asset category. Volumes shrank to just under €5bn but these funds remain an attractive option for retail investors and their advisers during times of market stress.

Looking ahead

Steep outflows in June are often alleviated by improved trading conditions in July as fund selectors complete the reallocation activity they began in June. However, with the exception of the booming US economy, which is likely to attract more ETF flows, most investors are likely to lie low until September. Expect more redemptions until then although low trading volumes are likely to keep the pace at modest levels.

European Net Sales by Investment Type (€bn)

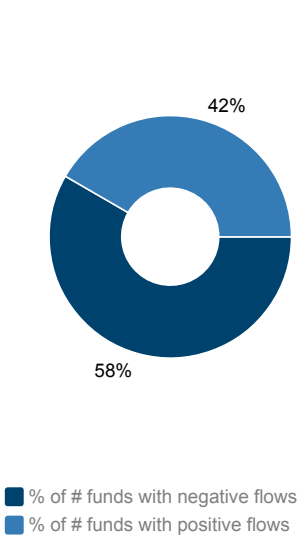
Investment Type	Jul 2017	Aug 2017	Sep 2017	Oct 2017	Nov 2017	Dec 2017	Jan 2018	Feb 2018	Mar 2018	Apr 2018	May 2018	Jun 2018
Bond	29,618	23,171	16,258	17,575	28,985	18,366	31,441	-7,906	4,256	-564	-16,643	-14,172
Equity	24,391	4,446	15,274	17,223	12,277	11,004	43,465	11,505	3,948	6,117	-4,908	-6,407
Mixed	17,053	9,801	8,629	15,546	12,255	14,312	19,518	14,519	12,083	4,988	7,057	4,956
Money Market	25,404	24,666	-16,205	20,894	-1,837	-17,610	33,208	-33,071	-8,405	10,273	-10,094	-16,498
Rest	2,894	3,408	-1,539	-575	4,341	3,513	2,289	-145	1,457	1,532	-3,674	-706

Top Markets by Sales - Latest Month (€bn)

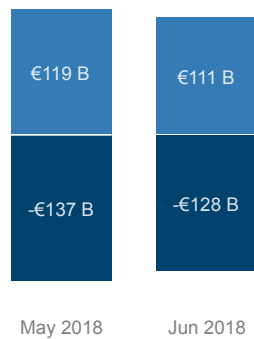
Fund Market	Assets	Previous month Net Sales	Latest Net Sales	Bottom selling fund	Top selling fund
Switzerland	446 B	-2.1 B	2.2 B	-0.2 B	0.3 B
Denmark	110 B	-0.5 B	0.7 B	-0.6 B	0.9 B
Germany	621 B	1.4 B	0.5 B	-0.5 B	0.3 B
Russia	4 B	0.2 B	0.1 B	-0.0 B	0.0 B
Italy	474 B	0.4 B	0.1 B	-0.4 B	0.7 B
Spain	183 B	0.2 B	0.1 B	-0.1 B	0.2 B

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

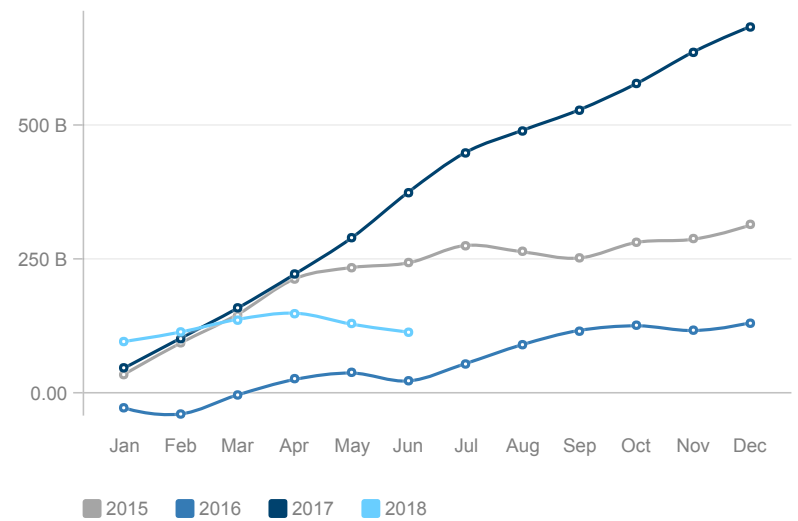
Flow sentiment



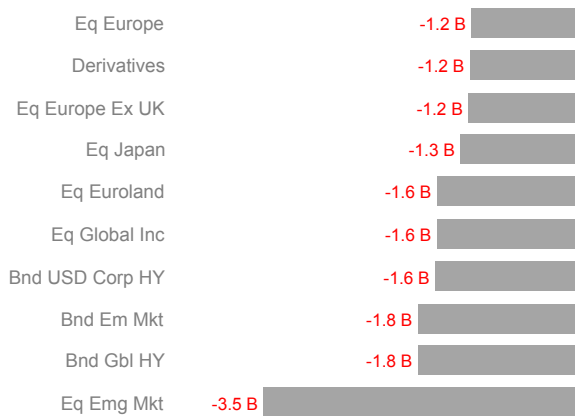
Positive net sales vs Negative net sales



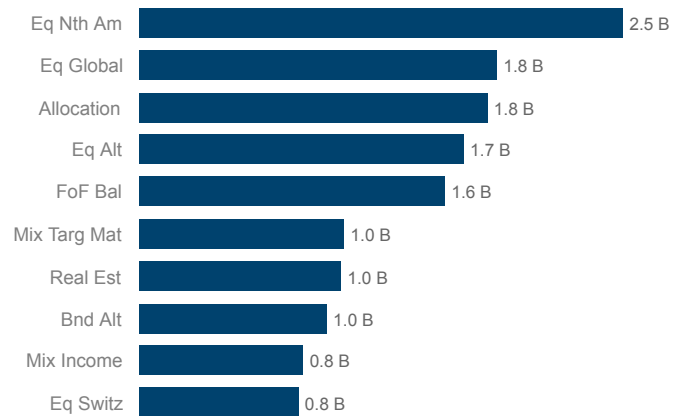
Cumulative net sales by year (€bn)



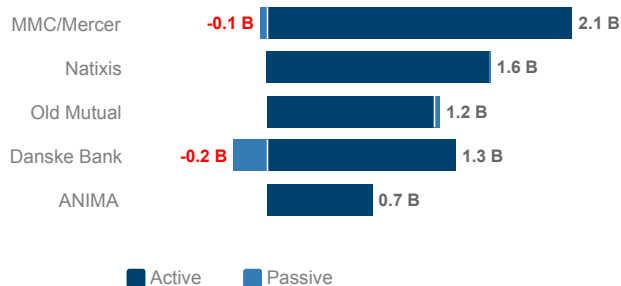
Bottom 10 selling sectors - Latest month (€bn)



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	649.1 B	45.2 B
Amundi	FR	301.2 B	22.8 B
PIMCO	US	138.0 B	20.4 B
UBS	CH	267.0 B	18.2 B
Intesa SP	IT	187.3 B	16.5 B

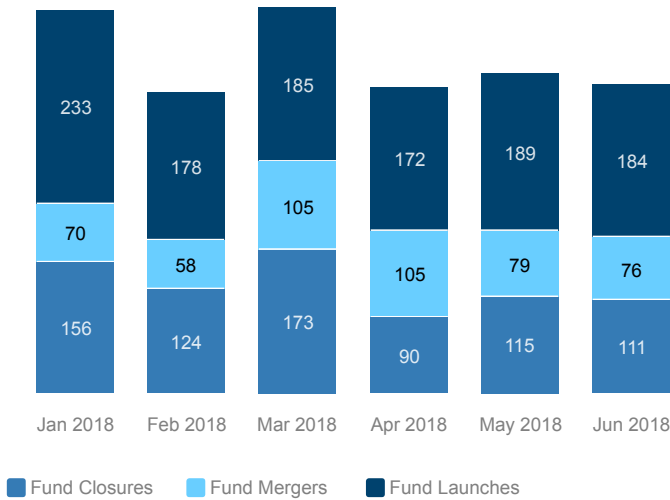
Top 10 Selling Funds - Latest month (€m)

Fund Name	Fund Domicile	Fund Investment Type	Net Sales
Allianz Global Investors Fund - Allianz Income and Growth	Luxembourg	Mixed Assets	956
Danske Invest Engros Flexinvest Udenlandske Obligationer	Denmark	Bond	949
iShares Core S&P 500 UCITS ETF (USD)	Ireland	Equity	844
Morgan Stanley-Global Opportunity Fund	Luxembourg	Equity	777
Danske Invest Euro Investment Grade Obligationer	Denmark	Bond	732
Anima Programma Cedola 2023	Italy	Mixed Assets	681
State Street Global Advisors Lux SICAV - Global Aggregate Bond In	Luxembourg	Bond	632
Deutsche Floating Rate Notes LC	Luxembourg	Bond	553
Mercer Global Investments - Mercer Investment Fund 10	Ireland	Mixed Assets	528
Mercer Passive Global Equity	Ireland	Equity	507

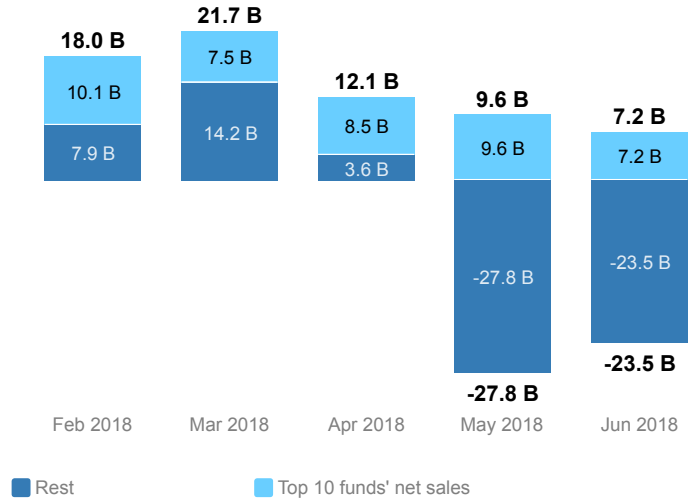
Best Sellers by Month (€bn)

Fund Name	Fund Domicile	Type	Month/Year	Net Sales
Allianz Global Investors Fund - Allianz Income and Growth	Luxembourg	Mix	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
Gestielle 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
			Aug 2017	4.4 B
			Jul 2017	4.1 B

Historical fund launches & closures



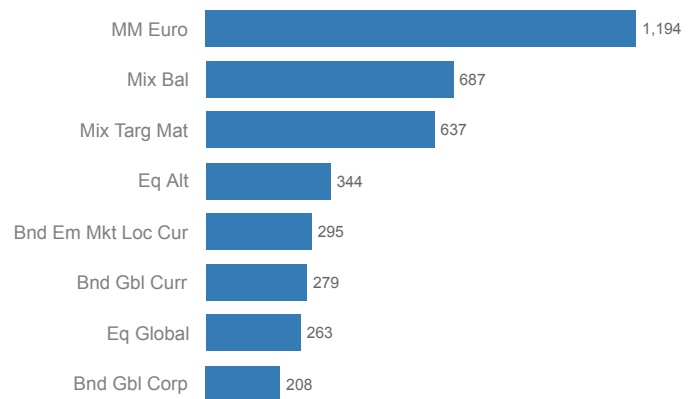
Proportion of net sales of the top ten selling funds



Fund launches by group - Latest month (€m)

Master Group	# Funds	Net Sales
Intesa SP	7	2,265
Old Mutual	13	1,172
Cr Suisse	4	645
JPMorgan AM	4	210
BlackRock	6	180

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
Eurizon Investment SICAV - Euro Liquidity Short Term	LU	Money Market	2018-06	1,194
Expert Investor II SICAV - SIF - Euro J Balanced	LU	Mixed Assets	2018-06	367
Quilter Investors Global Equity Absolute Return Fund	GB	Equity	2018-06	341
AILIS Man Multi-Asset	LU	Mixed Assets	2018-06	292
Eurizon Difesa 100 - 2017/4	IT	Mixed Assets	2018-06	284
Eurizon Defensive Top Selection Luglio 2023	IT	Mixed Assets	2018-06	262
Credit Suisse (Lux) Emerging Markets Bonds Local Fund	LU	Bond	2018-06	261
Quilter Investors Corporate Bond Fund	GB	Bond	2018-06	167
Eurizon Investment SICAV - Global Bond	LU	Bond	2018-06	142
Structura US High Yield Bond - BRL	LU	Bond	2018-06	142

Data in EURO as at: Jun 2018

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