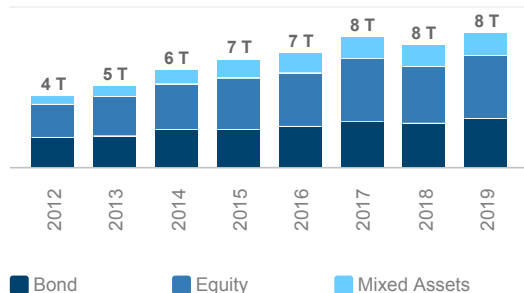


FundFlash Monthly Snapshot of European Trends



European assets by investment type



Jun 2019 net sales of long term funds

€25.5 B

YTD net sales of long term funds

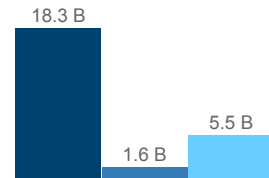
€41.5 B

Asset Growth month on month

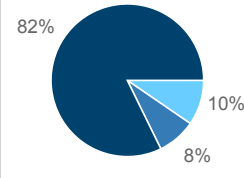
+2.45%

Passive vs Active overview in Jun 2019

Net sales



Assets



June in brief

- Sales drought ends with long-term funds hitting their highest net sales total (€26bn) since the last bull run ended in January 2018.
- Money market funds entered their cyclical mid-year demise, which wiped €16bn off the headline total.
- Passive funds contribute 28% of inflows into long-term funds but equities dogged by withdrawals from both active and passive funds alike.
- Central bank policy drives sentiment in favour of fixed income, which enjoys a revival matching many of the bumper months of 2017.
- Global Currency bond funds form the most popular sector, although precautionary steps into Euro government bonds is also evident.
- This environment plays to PIMCO's strengths and, unsurprisingly, it holds on to the leadership crown for a fourth consecutive month with net inflows of €7bn.
- PIMCO's GIS Income fund revisits its glory days, registering €3.5bn of net inflows. It is Europe's largest long-term fund, boasting €64bn of assets.

Party time for bonds - again

The last nine months have had European asset managers nursing a hangover dating back to 2017 and the QE-fuelled race for yield that produced sales volumes beating all previous records. The correction came late in 2018 but since then most firms have found it difficult to recover their mojo. In June the band began to play again, beckoning investors to another bond ball. Net sales of long-term funds soared close to €26bn, having failed to deliver an average monthly take of more than €3bn since the start of the year. And, it was fixed income funds that enjoyed this flush of new money, which could have produced a new monthly sales record were it not for nearly €7bn of redemptions hitting H20's recently popular bond offering.

The market has turned full circle in the space of a year, from positioning portfolios to accommodate interest rate hikes to allocating for interest rate cuts, accompanied by further accommodative measures from central banks to forestall a recession. Bonds are firmly back in favour with investors backing global currency and euro options in the main, but also an array of corporate bond funds. In most of these sectors active managers dominate, but passives are catching up. In the 2017 bond rush, passive funds posted €54bn of new money. Their net volume for the first six months of 2019 stands at €45bn.

Elsewhere, the pace of outflows slowed; mixed asset funds have yet to find a superhero product to attract retail investors out of deposits, but redemptions in June slowed to just €1.7bn against a monthly average of nearly €5bn for the first five months of the year. The pace of equity outflows also eased off, but active equity funds still nursed redemptions of over €80bn in the first half.

Looking ahead

Investor lethargy is likely to affect the next two months but while inflows are sluggish, redemptions are likely to be equally slack. The announcement by the US Fed that interest rates would be cut by 25bps will further energise bond investments and this could well deliver a second half that is much more buoyant than the first. But with a low but persistent rumble of concerns about liquidity, enthusiasm may be tempered for products with complex strategies.

European Net Sales by Investment Type (€m)

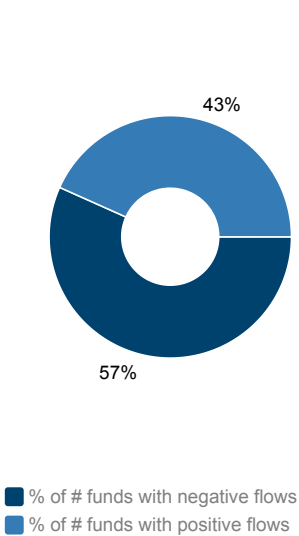
Investment Type	Jul 2018	Aug 2018	Sep 2018	Oct 2018	Nov 2018	Dec 2018	Jan 2019	Feb 2019	Mar 2019	Apr 2019	May 2019	Jun 2019
Bond	6,700	-2,714	-10,917	-27,148	-13,844	-22,211	14,742	17,209	25,640	26,545	18,037	31,389
Equity	2,275	2,181	1,290	-17,458	871	-18,034	-2,466	-1,825	-21,142	-13,787	-19,317	-5,426
Mixed	4,282	3,294	-2,477	-9,886	-8,188	-8,841	-4,578	-3,949	-6,153	-3,399	-4,885	-1,706
Money Market	10,869	-2,018	-26,214	44,868	-16,403	25,596	637	-13,346	1,315	8,604	8,852	-15,868
Rest	-931	4	493	-1,146	-2,796	-3,722	-4,029	415	-2,605	5	1,514	1,226

Top Markets by Sales - Latest Month (€bn)

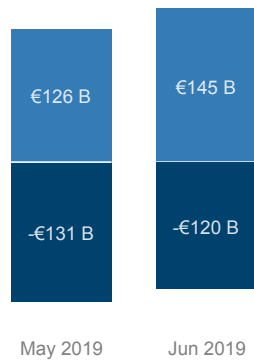
Fund Market	Assets	Previous month Net Sales	Latest Net Sales	Bottom selling fund	Top selling fund
International*	4,577 B	-10.5 B	19.5 B	-3.7 B	3.5 B
France	402 B	0.7 B	1.9 B	-0.3 B	0.6 B
Switzerland	487 B	-0.1 B	1.6 B	-0.4 B	0.4 B
Sweden	347 B	-0.3 B	1.5 B	-0.3 B	1.4 B
Germany	648 B	2.2 B	1.4 B	-0.1 B	0.4 B
Italy	483 B	0.7 B	1.1 B	-0.3 B	0.8 B

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

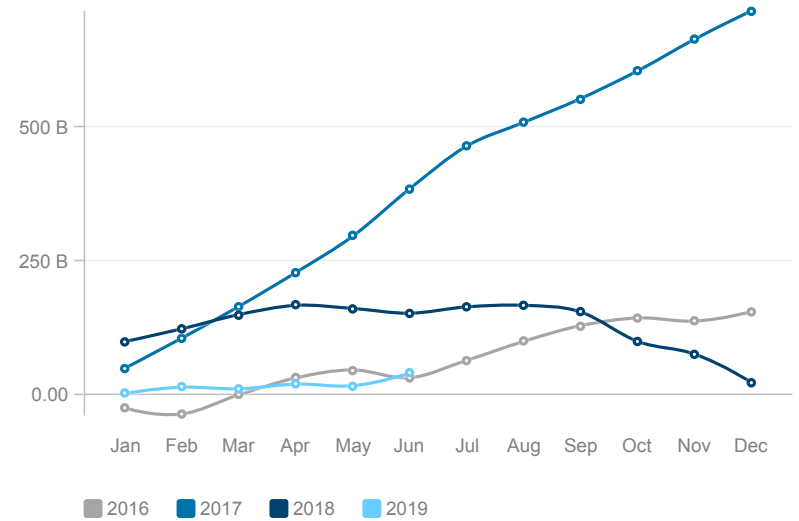
Flow sentiment



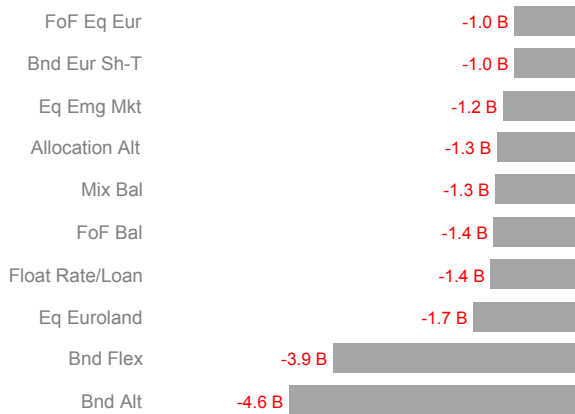
Positive net sales vs Negative net sales



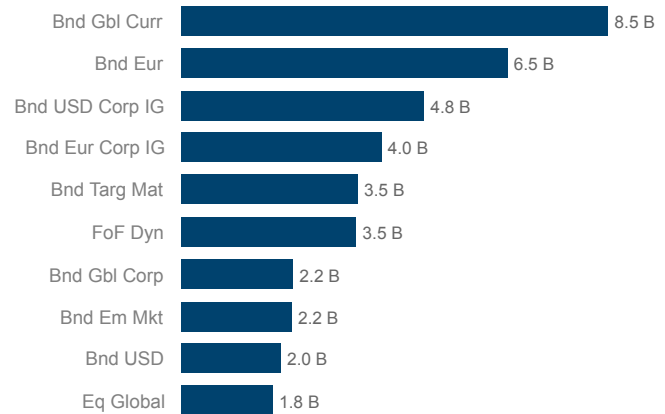
Cumulative net sales by year (€bn)



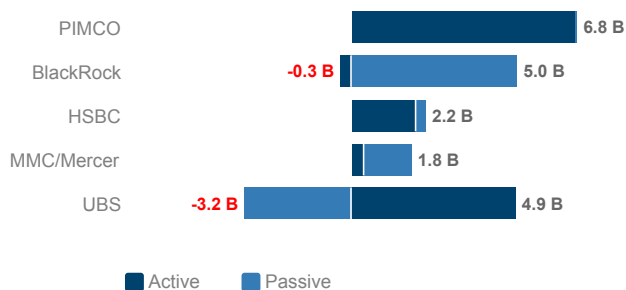
Bottom 10 selling sectors - Latest month (€bn)



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
PIMCO	US	166.7 B	13.2 B
BlackRock	US	696.0 B	13.0 B
ACCESS	GB	10.7 B	10.2 B
Vanguard	US	157.7 B	9.3 B
State Street	US	82.9 B	8.6 B

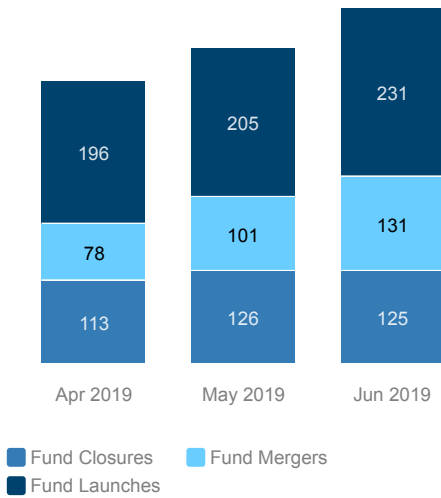
Top 10 Selling Funds - Latest month (€m)

Fund Name	Fund Domicile	Investment Type	Fund Strategy	Net Sales
PIMCO GIS Income Fund	Ireland	Bond	Active	3,497
Caixabank Master Renta Fija Deuda Pública 1-3 Advised By FI	Spain	Bond	Active	2,570
Focused Sicav - High Grade Long Term Bond USD	Luxembourg	Bond	Active	2,479
Caixabank Master Renta Fija Privada Euro FI	Spain	Bond	Active	2,153
Caixabank Master Renta Fija Deuda Publica 3-7 FI	Spain	Bond	Active	1,902
iShares Core Euro Corporate Bond UCITS ETF	Ireland	Bond	Passive	1,850
Mercer Passive Fundamental Indexation Global Equity UCITS CCF	Ireland	Equity	Passive	1,396
AP7 Aktiefond	Sweden	Equity	Active	1,350
AB FCP I American Income Portfolio	Luxembourg	Bond	Active	1,347
Focused Sicav - High Grade Bond USD	Luxembourg	Bond	Active	1,224

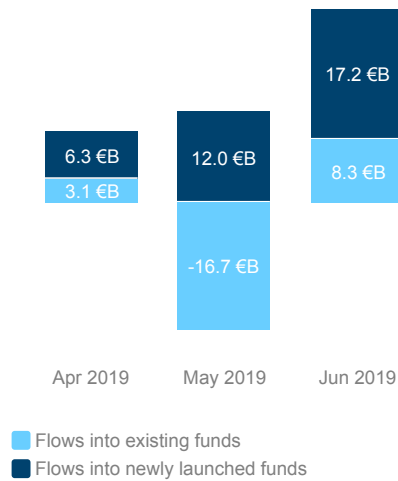
Best Sellers by Month (€bn)

Fund Name	Fund Domicile	Type	Month/Year	Net Sales
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
PIMCO GIS Income Fund	Ireland	Bnd	Jan 2019	2.1 B
AP7 Aktiefond	Sweden	Eq	Dec 2018	1.6 B
Focused Sicav - High Grade Bond USD	Luxembourg	Bnd	Nov 2018	5.8 B
Focused Sicav - High Grade Long Term Bond USD	Luxembourg	Bnd	Oct 2018	2.0 B
Allianz Global Investors Fund - Allianz Income and Growth	Luxembourg	Mix	Sep 2018	1.3 B
			Aug 2018	1.9 B
			Jul 2018	1.9 B

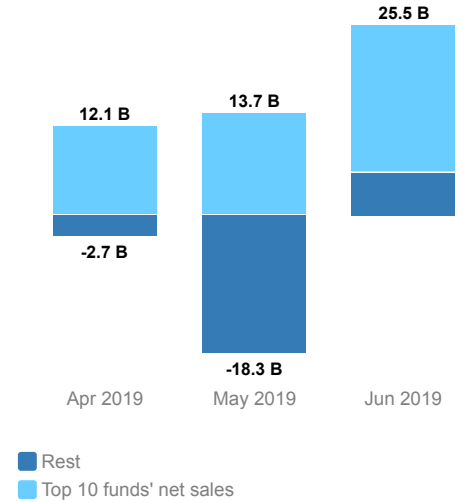
Historical fund launches & closures



New launch flows vs existing funds



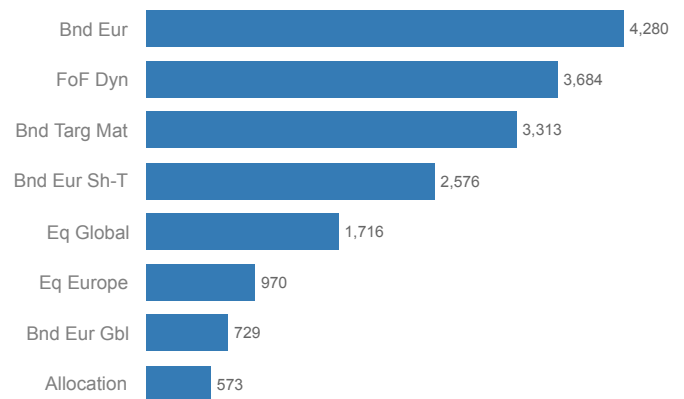
Net sales of the top10 selling funds vs the rest



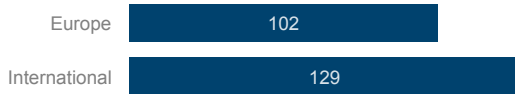
Fund launches by group - Latest month (€m)

Master Group	# Funds	Net Sales
La Caixa	12	8,296
MMC/Mercer	6	5,431
HSBC	2	1,760
Intesa SP	7	711
Legg Mason	1	533

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 - Multi Asset Growth Fund	IE	Fund of Funds (ex-house)	2019-06	3,529
Caixabank Master Renta Fija Deuda Pública 1-3 Advised By FI	ES	Bond	2019-06	2,570
Caixabank Master Renta Fija Privada Euro FI	ES	Bond	2019-06	2,153
Caixabank Master Renta Fija Deuda Publica 3-7 FI	ES	Bond	2019-06	1,902
Mercer Passive Fundamental Indexation Global Equity UCITS CCF	IE	Equity	2019-06	1,396
HSBC GIF Global Credit Floating Rate Fixed Term Bond 2023 - 1	LU	Bond	2019-06	975
Caixabank Master Renta Variable Europa FI	ES	Equity	2019-06	915
HSBC GIF Global Corporate Fixed Term Bond 2022	LU	Bond	2019-06	785
Caixabank Master Renta Fija Advised By FI	ES	Bond	2019-06	724
Legg Mason Western Asset Diversified Global Credit Fixed Maturity Bond Fund	IE	Bond	2019-06	533

Data in EURO as at: Jun 2019

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