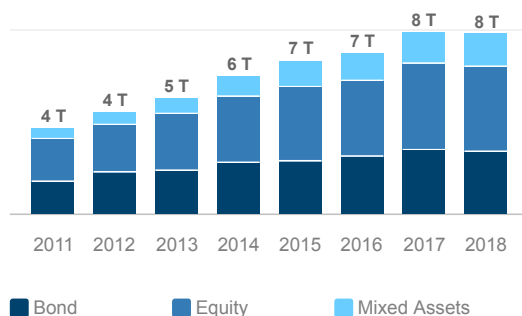


FundFlash Monthly Snapshot of European Trends



European assets by investment type



Mar 2018 net sales of long term funds

€19.1 B

YTD net sales of long term funds

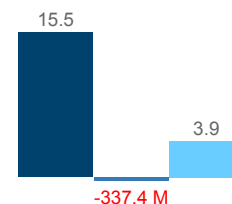
€130.9 B

Asset Growth month on month

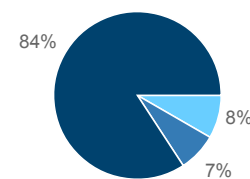
-1.28%

Passive vs Active overview (€B) in Mar 2018

Net sales



Assets



March in brief

- The first quarter ends with a slight sales uplift but clear evidence of dulled investor sentiment. Net inflows of long-term funds are subdued in March at €19bn.
- Money market funds suffer another month of outflow, taking the quarterly tally into the red by €8bn.
- Passive fund flows remain positive but account for a mere €3.6bn of the monthly sales total, bond ETFs acting as a drag on sales totals.
- With market volatility and fear of rising inflation dampening the appeal of bonds and equities, mixed asset funds lead. But, with €12bn of receipts, March is the sector's slowest month of the year so far.
- The mixed asset category is boosted by Italian target maturity funds. This sector gathers the largest inflows (€2.6bn).
- Sluggish sales volumes break the leadership status quo with Natixis taking the sales crown from the persistent incumbent, BlackRock.
- A new mixed asset target maturity fund from Italy's BP Cooperativa is this month's top-selling fund, generating €1.6bn of net inflows in its first month.

Start with a bang but end with a whimper

The first quarter started with a bang – a record month of sales that built on last year's sales harvest – but nervousness then began to undermine investor confidence and, although new money continued to stream into long-term funds, the pace was noticeably slower. The global economic growth story remains but its impact on sentiment has been relegated to a pleasant background murmur against the battle drum of inflation, potential trade wars and other factors affecting stock market performance. In the first three months of the year the MSCI World lost 2.7% of its value and European bourses were collectively down by almost 5%. So, despite generating net inflows of €131bn during the first quarter of the year, European long-term fund assets lost nearly 1% of their value.

In such a tricky environment, fund selectors are struggling to find many appetising pockets of value. Mixed asset funds remain popular with retail investors, but even these select-and-forget options are beginning to show some early signs of fatigue. Their March sales total was good but it was the lowest volume since last year's summer lull, despite a €1.6bn boost from Italian fund launches. Meanwhile, in the bond sector the search is on for products that can replace the corporate investment grade and high yield sectors that are being sold off. Liquid alternatives have become the preferred option, although safe-haven government bonds are also back on investors' buy lists. The bond and equity categories ended the month level-pegging with €3bn or so of inflows apiece. But equity appetite was dominated by passive purchases, albeit trackers rather than ETFs. In the active space, it was thematic funds, particularly those with a technology focus, that took the most new money but volumes for these leading sectors came to less than €1bn.

Looking ahead

A slower pace of sales flows is likely to characterise the second quarter. Accord on the Korean peninsula will have helped lift spirits but the much-watched 10-year US Treasury yield, which spiked to 3% in late April, will have worried bond holders even though its foray was brief. Sales flows in April are likely to be similar in size and character to those in March, but May is generally a much more difficult month as investors begin to prepare their portfolios for the summer wind-down.

European Net Sales by Investment Type (€bn)

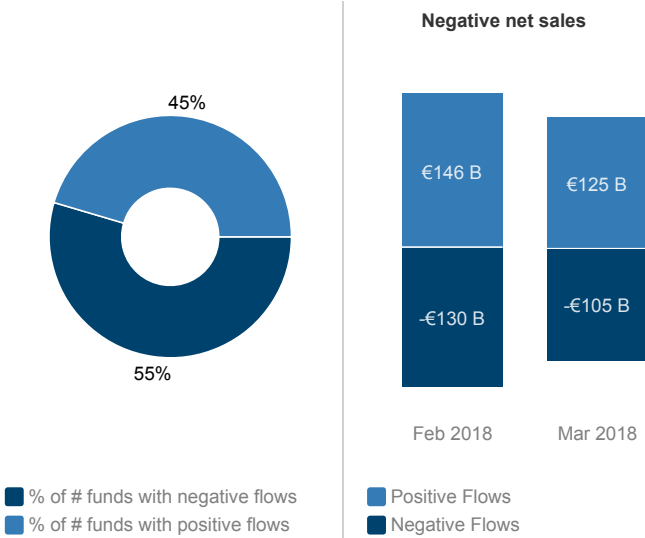
Investment Type	Apr 2017	May 2017	Jun 2017	Jul 2017	Aug 2017	Sep 2017	Oct 2017	Nov 2017	Dec 2017	Jan 2018	Feb 2018	Mar 2018
Bond	32,234	33,483	34,230	29,394	22,831	16,605	17,117	28,610	16,901	31,297	-8,546	3,302
Equity	14,125	13,002	31,171	24,424	4,450	14,951	17,284	11,528	10,380	43,346	11,158	3,491
Mixed	15,059	17,425	15,869	16,432	9,876	8,648	15,715	12,269	14,334	19,048	14,354	11,716
Money Market	16,751	3,920	-33,597	25,334	24,676	-15,726	20,988	-1,740	-16,849	33,115	-33,374	-8,684
Rest	1,371	3,241	1,575	2,261	3,449	-2,249	-808	3,924	3,186	1,822	-698	569

Top Markets by Sales - Latest Month (€bn)

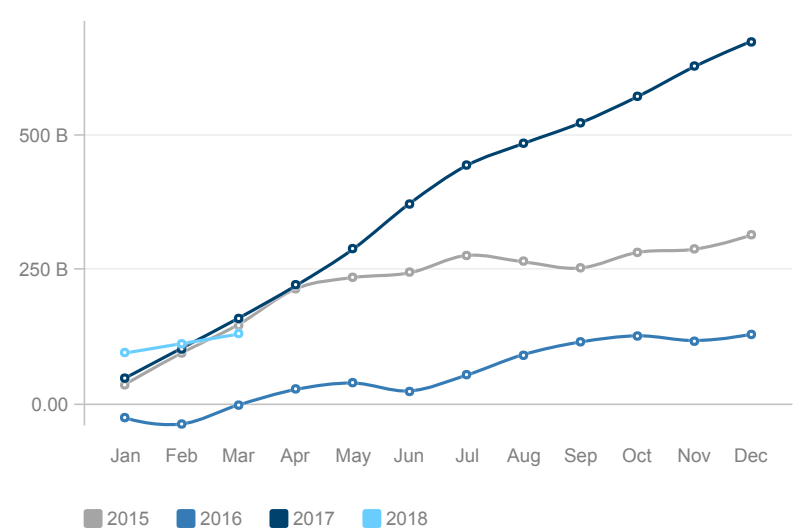
Fund Market	Assets	Previous month Net Sales	Latest Net Sales	Bottom selling fund	Top selling fund
International*	4,307 B	6.8 B	12.9 B	-0.9 B	0.9 B
Italy	474 B	1.0 B	2.6 B	-0.5 B	1.6 B
France	400 B	2.2 B	1.6 B	-0.3 B	0.2 B
Spain	176 B	1.5 B	0.8 B	-0.1 B	0.2 B
Sweden	265 B	0.2 B	0.7 B	-0.2 B	0.5 B
Norway	86 B	1.0 B	0.6 B	-0.1 B	0.1 B

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

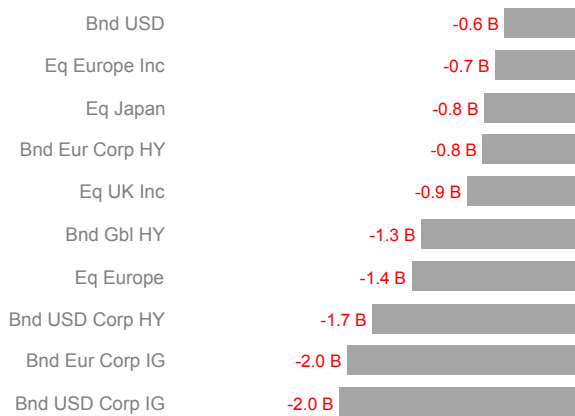
Flow sentiment



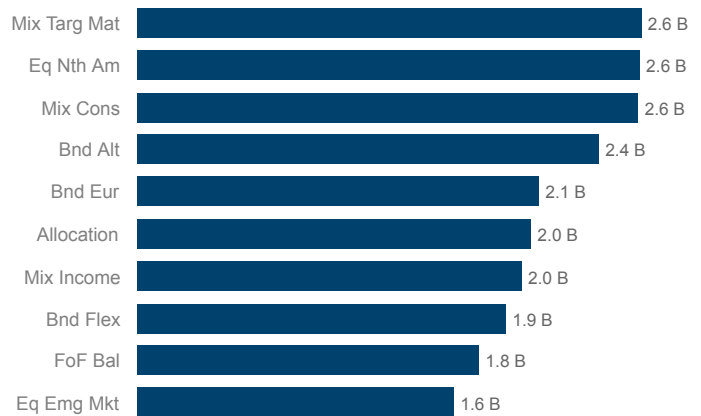
Cumulative net sales by year (€bn)



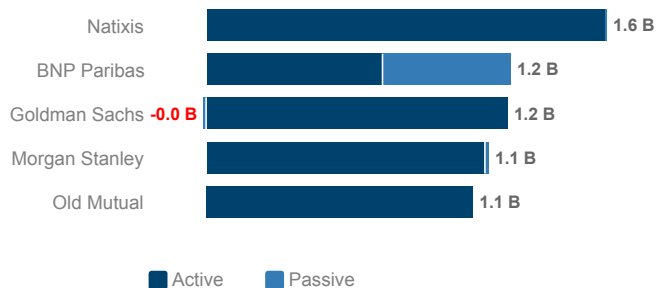
Bottom 10 selling sectors - Latest month (€bn)



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	628.3 B	85.5 B
PIMCO	US	142.4 B	48.7 B
Amundi	FR	299.3 B	36.0 B
UBS	CH	256.7 B	23.0 B
Intesa SP	IT	187.2 B	21.1 B

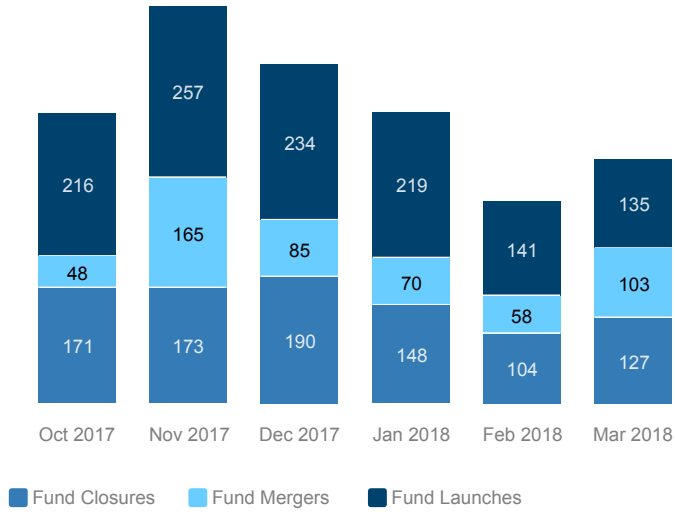
Top 10 Selling Funds - Latest month (€m)

Fund Name	Fund Domicile	Fund Investment Type	Net Sales
Gestielle Cedola Multi Target V	Italy	Mixed Assets	1,603
Schroder Matching Plus-Bespoke Investment Fund 6	Luxembourg	Hedge	878
Allianz Global Investors Fund - Allianz Income and Growth	Luxembourg	Mixed Assets	731
UBI Pramerica Cedola Certa 2018-2023	Italy	Bond	724
Old Mutual Global Equity Absolute Return	Ireland	Equity	699
iShares \$ Treasury Bond 7-10yr UCITS ETF	Ireland	Bond	673
BlackRock Global Funds - Euro Bond Fund	Luxembourg	Bond	641
M&G Optimal Income Fund	United Kingdom	Bond	626
Swedbank Robur Kapitalinvest	Sweden	Equity	535
GS Emerging Markets Debt Portfolio	Luxembourg	Bond	477

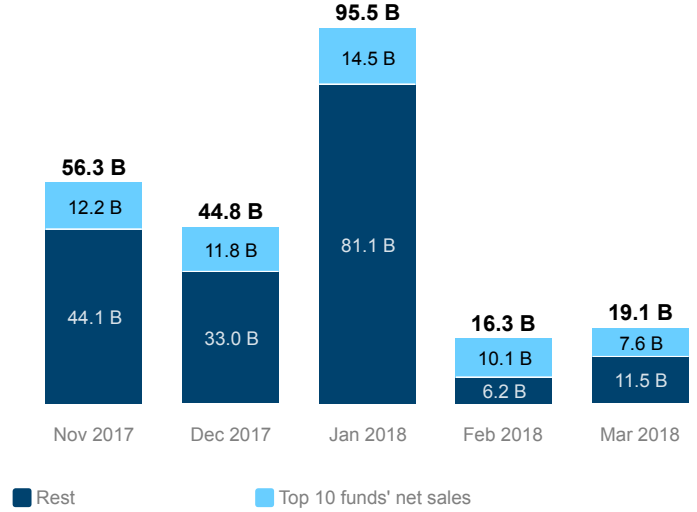
Best Sellers by Month (€bn)

Fund Name	Fund Domicile	Type	Month/Year	Net Sales
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
BlackRock ACS 50:50 Global Equity Tracker	United Kingdom	Eq	Jun 2017	9.7 B
PIMCO GIS Income Fund	Ireland	Bnd	May 2017	4.1 B
			Apr 2017	3.1 B

Historical fund launches & closures



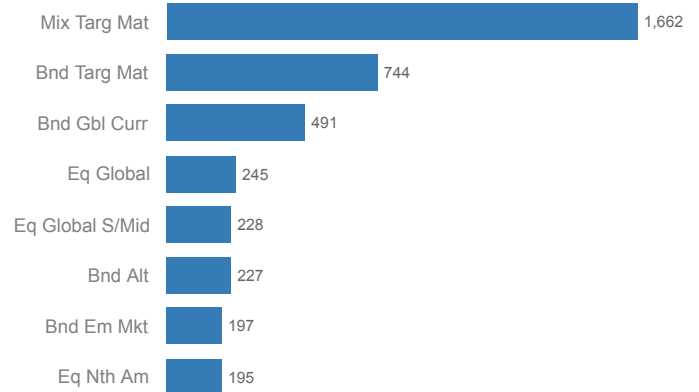
Proportion of net sales of the top ten selling funds



Fund launches by group - Latest month (€m)

Master Group	# Funds	Net Sales
BP Cooperativa	1	1,603
Cr Suisse	5	769
UBI Banca	1	724
BlackRock	2	235
Amundi	20	218

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
Gestielle Cedola Multi Target V	IT	Mixed Assets	2018-03	1,603
UBI Pramerica Cedola Certa 2018-2023	IT	Bond	2018-03	724
PAT-BVG Obligationen Welt FW	CH	Bond	2018-03	384
iShares MSCI World Small Cap UCITS ETF	IE	Equity	2018-03	228
CSIF III North America Sustainability Index Blue	CH	Equity	2018-03	187
GALLUS Aktien Welt	CH	Equity	2018-03	170
L&G Emerging Markets Government Bond (US\$) Index Fund	IE	Bond	2018-03	161
BNP Paribas Easy MSCI Japan SRI	LU	Equity	2018-03	122
Amundi Funds II - Euro Alpha Bond	LU	Bond	2018-03	108
Nordea 1 - Latin American Corporate Bond Fund	LU	Bond	2018-03	87

Data in EURO as at: Mar 2018

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