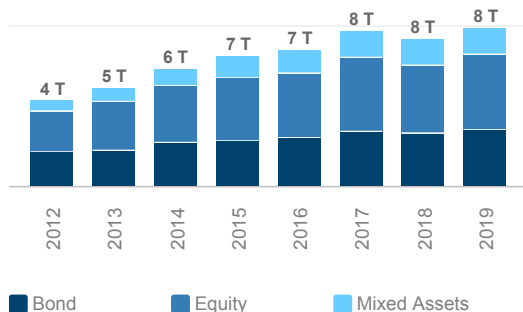


# FundFlash Monthly Snapshot of European Trends



## European assets by investment type



## Mar 2019 net sales of long term funds

**-€6.4 B**

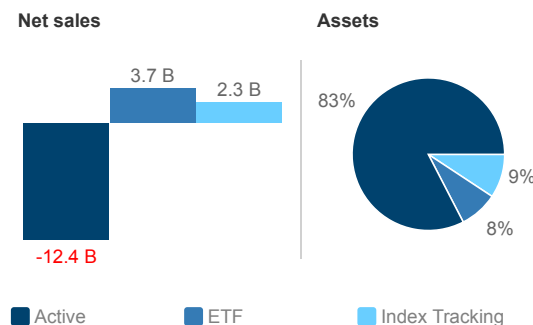
## YTD net sales of long term funds

**€8.4 B**

## Asset Growth month on month

**+1.54%**

## Passive vs Active overview in Mar 2019



## March in brief

- Net sales of long-term funds slide back into negative territory in March, with €6bn withdrawn, though the quarterly tally keeps its head above water at €8bn.
- Money market funds attract a modest €1.3bn this month, but February's outflows weigh down their quarterly sales result, which stands at -€12bn.
- No change in the active/passive dichotomy. In March, active funds wave goodbye to €12bn while passives welcome €6bn. For the year to date, the equivalent figures are -€29bn and +€38bn.
- The fixed income category wears the sales crown again in March, winning almost €25bn of new business – its strongest month of 2019. But this is undermined by hefty equity withdrawals, and ongoing bleeding from mixed assets.
- Numerous bond flavours top the sector charts, highlighting a broad spread of demand including for global currencies, European corporate investment grade and emerging markets.
- PIMCO is Europe's bestselling group in March, with some clear water between it and second-placed BlackRock.
- PIMCO's GIS Income Fund is the month's favourite, collecting just shy of €2bn.

## All about the bonds

Expectations of further central-bank dovishness translated into reality in March. The Fed confirmed that it would not push through any further rate rises in 2019, while the ECB surprised with an announcement of additional cheap lending for Eurozone banks. Both moves reflect increasing bearishness about the growth outlook locally and globally, in turn helping to explain the generally lacklustre appetite for funds so far this year. But it's also worth bearing in mind that halting monetary tightening (or, in the ECB's case, loosening policy) at a time when rates remain very low by historical standards could eventually feed through into a resumption of interest in risk assets, as seen during the heyday of quantitative easing.

This combination of investor caution and policy shift has, however, already sparked substantial demand for the safe(ish) haven of fixed income. Bond funds have swept up nearly all new money in Europe's fund industry so far in 2019, with open-ended property funds playing a minor supporting role. Numerous sectors have benefitted, with global currencies and emerging markets leading thanks to perceptions of underlying securities offering good value as the year got underway. The first of these is home to PIMCO's blockbuster GIS Income Fund, which is in the midst of a phoenix-like revival after the anti-bond headwinds of last year.

Alas, no signs of fresh demand for the other core asset classes just yet. Net equity sales steepened precipitously to -€25bn in March, with Europe-focused equity funds responsible for much of the outflows. No let-up for mixed assets either, where sales also dipped further into the red, largely due to an ongoing exodus from certain asset allocation products.

## Looking ahead

April saw global sentiment perk up a little in response to chirpier exchanges between the US and China about trade tariffs, healthier-than-expected growth statistics in the US and Europe and Brexit getting kicked into longer grass – though a climbing oil price also raised the spectre of inflation. The question is whether any of this will encourage green shoots of demand for equities in particular, as investors weigh up the fear of missing out with the fear of losing money. While they ruminate on that, bond funds look set to continue reaping inflows.

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

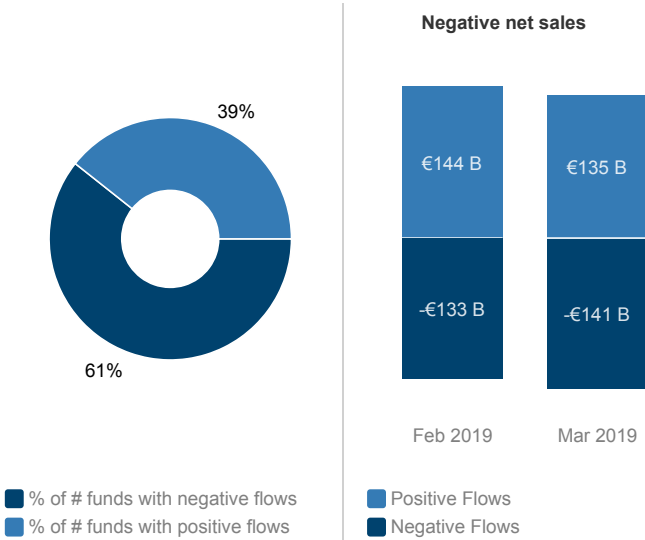
Investment Type	Apr 2018	May 2018	Jun 2018	Jul 2018	Aug 2018	Sep 2018	Oct 2018	Nov 2018	Dec 2018	Jan 2019	Feb 2019	Mar 2019
Bond	2,846	-12,297	-11,676	6,419	-2,784	-11,134	-27,911	-14,279	-22,224	15,010	17,087	24,625
Equity	8,455	-3,430	-4,052	2,098	2,521	1,445	-17,741	587	-18,516	-3,191	-1,785	-21,740
Mixed	5,365	8,326	6,336	4,245	3,259	-2,446	-9,898	-8,224	-8,793	-4,432	-4,234	-6,701
Money Market	11,706	-10,323	-15,791	10,737	-2,097	-26,320	44,979	-16,435	25,580	602	-13,464	1,329
Rest	2,749	-1,110	488	-1,118	-34	808	-1,417	-2,854	-3,740	-3,835	119	-2,560

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

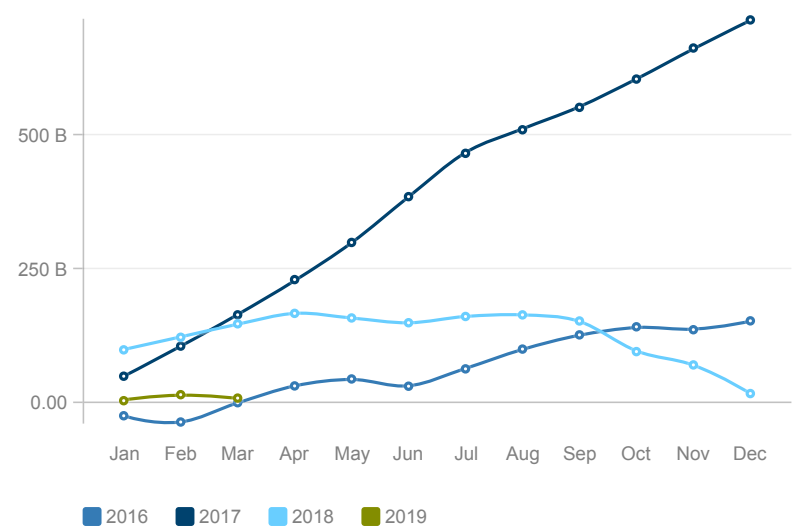
Fund Market	Assets	Previous month Net Sales	Latest Net Sales	▲▼	Bottom selling fund	Top selling fund
Germany	631 B	1.3 B	2.1 B		-0.1 B	0.8 B
Denmark	115 B	-0.9 B	0.6 B		-0.2 B	0.3 B
Spain	177 B	-0.6 B	0.3 B		-0.4 B	0.4 B
Poland	20 B	0.2 B	0.1 B		-0.0 B	0.1 B
Austria	61 B	-0.0 B	0.1 B		-0.0 B	0.1 B
Czech Republic	10 B	0.1 B	0.1 B		-0.0 B	0.1 B

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

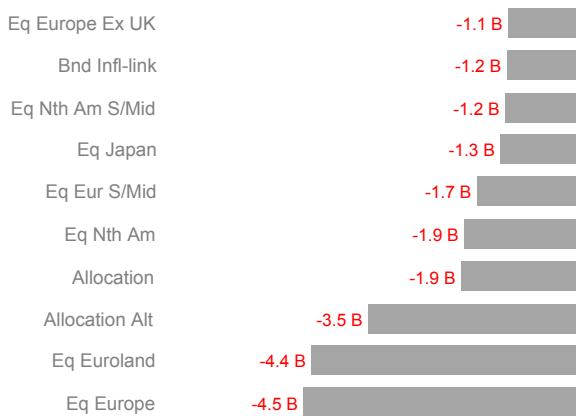
### Flow sentiment



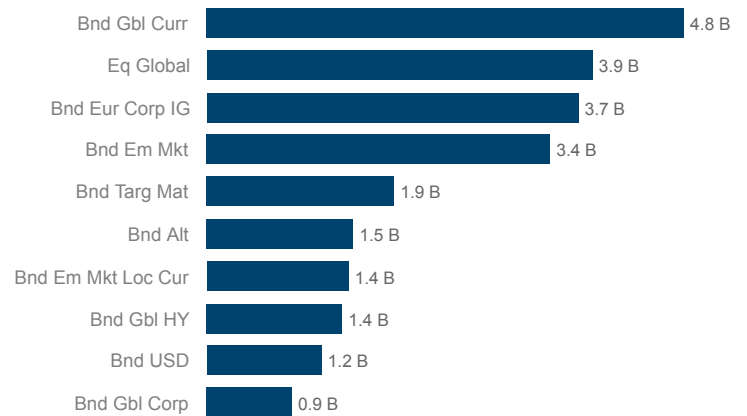
### Cumulative net sales by year (€bn)



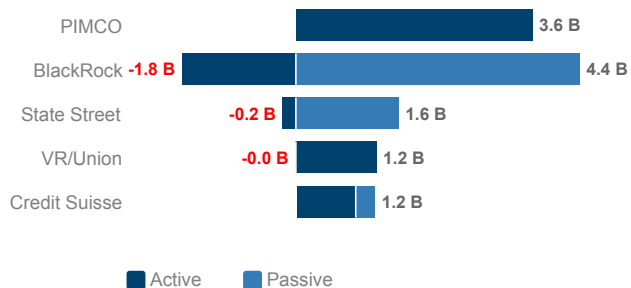
### Bottom 10 selling sectors - Latest month (€bn)



### 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
ACCESS	GB	9.5 B	9.1 B
Natixis	FR	98.7 B	8.9 B
BlackRock	US	679.5 B	8.3 B
State Street	US	79.9 B	7.8 B
Vanguard	US	151.8 B	7.1 B

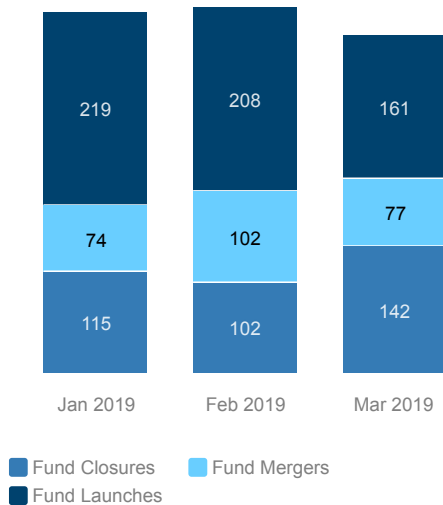
### Top 10 Selling Funds - Latest month (€m)

Fund Name	Fund Domicile	Investment Type	Fund Strategy	Net Sales
PIMCO GIS Income Fund	Ireland	Bond	Active	1,911
iShares Core Euro Corporate Bond UCITS ETF	Ireland	Bond	Passive	1,174
Artemis Funds (Lux) - US Extended Alpha	Luxembourg	Equity	Active	1,070
AB FCP I American Income Portfolio	Luxembourg	Bond	Active	807
UniGlobal	Germany	Equity	Active	806
CS Investment Funds 3 - CS (Lux) Fixed Maturity FR Bond Fund 20:	Luxembourg	Bond	Active	753
iShares Core MSCI World UCITS ETF	Ireland	Equity	Passive	747
Vanguard Investment Series Plc - Vanguard Global Bond Index Fun	Ireland	Bond	Passive	739
iShares J. P. Morgan EM Local Government Bond UCITS ETF	Ireland	Bond	Passive	696
PIMCO GIS Global Bond Fund	Ireland	Bond	Active	570

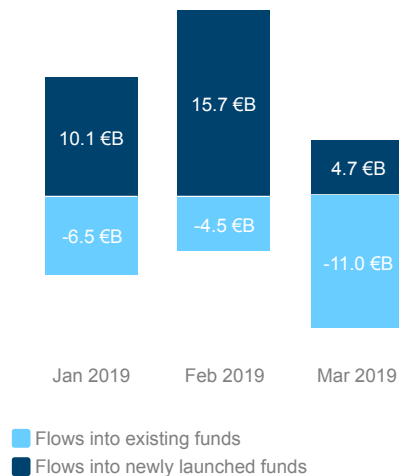
### Best Sellers by Month (€bn)

Fund Name	Fund Domicile	Type	Month/Year	Net Sales
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
			Jun 2018	1.5 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

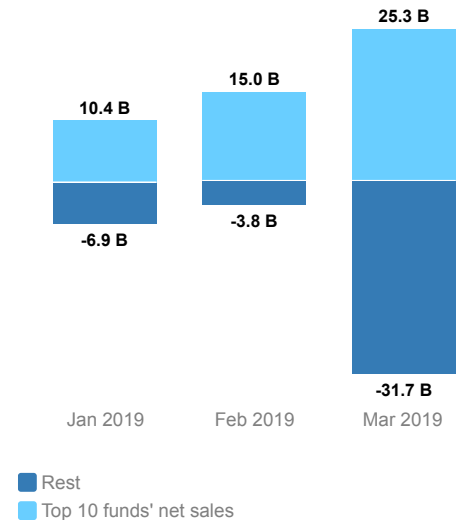
### Historical fund launches & closures



### New launch flows vs existing funds



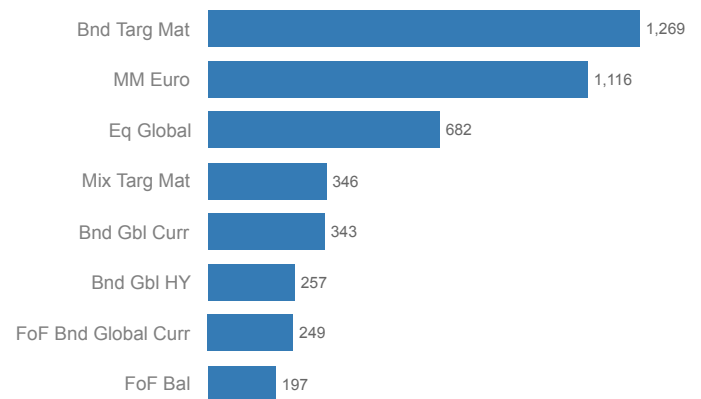
### Net sales of the top10 selling funds vs the rest



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

Master Group	# Funds	Net Sales
KBC	2	1,136
Fondaco	3	489
Schroders	2	455
UBI Banca	1	387
Bank Invest	1	295

### 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
KBC Multi Interest SRI Cash Standard Duration	BE	Money Market	2019-03	1,116
Schroder Special Situations Fund-Fixed Maturity Bond 2023	LU	Bond	2019-03	455
UBI Pramerica Cedola Certa 2024	IT	Bond	2019-03	387
BankInvest Globale Aktier Indeks KL	DK	Equity	2019-03	295
Lord Abbett - High Yield Core Fund	IE	Bond	2019-03	257
PIMCO Select Obbligazionario Prudente Fund	IE	Bond	2019-03	255
Fondaco Obiettivo Welfare Government Bond	LU	Fund of Funds (ex-house)	2019-03	248
LF Canlife Managed 20%-60%	GB	Fund of Funds (ex-house)	2019-03	197
BMO SDG Engagement Global Equity Fund	LU	Equity	2019-03	164
BancoPosta Focus Benessere 2024	IT	Mixed Assets	2019-03	163

Data in EURO as at: Mar 2019

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