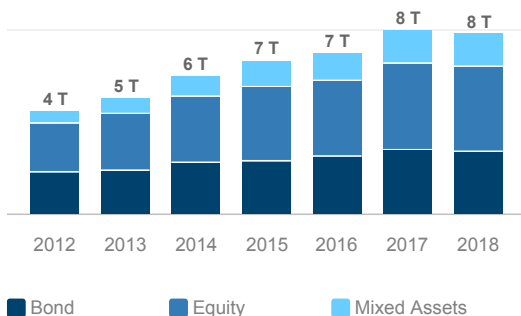


FundFlash Monthly Snapshot of European Trends



European assets by investment type



Nov 2018 net sales of long term funds

-€31.9 B

YTD net sales of long term funds

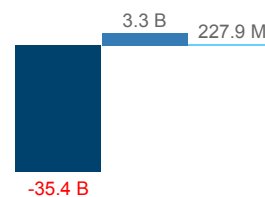
€21.9 B

Asset Growth month on month

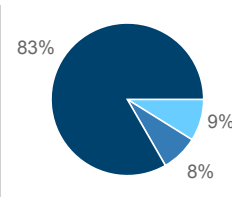
+0.50%

Passive vs Active overview in Nov 2018

Net sales



Assets



November in brief

- European funds are bathed in a sea of red as market turmoil continues to take its toll on investor confidence. The pace of redemptions from long-term funds eases off to -€32bn but all major asset classes suffer.
- After solid cyclical inflows in October, investors pull €16bn from their money market holdings, taking overall industry withdrawals to €52bn this month.
- Passive funds, mainly ETFs, manage to generate inflows of €3.5bn, predominately into equities, but active funds register their sixth month of outflows in 11 months.
- Open-ended property funds form the only category attracting net new money. This is the category's best year since 2003.
- Global equity funds attract the largest inflows of the month with over €5bn of inflows. Half of this volume is attributable to ETFs.
- But Belgian banking giant KBC takes the sales crown with net inflows of €1.8bn thanks to the launch of a tranche of SRI funds, the most successful of which is a short-term bond fund that registered over €1bn of new money in its first month.

Racing to the bottom

It all began so well, but January's flying start now seems like a distant memory unlikely to be repeated in 2019. Since then investors have become increasingly wary of committing their savings to funds and, with the small exception of July, long-term funds have been in consistent outflow, wiping out all but €17bn of the earlier months' sales gains. November was another month of pain for European asset managers. October's stock market turmoil eased off and the MSCI World index managed to recover 1% of its recent losses but retail investors' memories are long and, although the improvement contained the carnage, the withdrawals persisted at an uncomfortable €32bn. November is often a troublesome month for asset managers but this was the worst since 2007 and the second worst on record.

With the one small exception of real estate, all other asset classes were mired in redemption. Although the pace of outflows had slowed, the cull was widespread, sparing only those groups with a strong institutional and/or ETF franchise, bank groups that were able to harness control over captive client assets, and boutiques with fringe products in demand and little in the way of legacy assets to lose. The ongoing retreat of central banks from their bond-buying programmes continued to weigh heavily on fixed income assets, and also infected the previously stalwart mixed asset category. Meanwhile equities were dragged back by those with European exposure, although global funds repaired some of the damage.

Looking ahead

With one month of data to go before the year end, the cumulative net sales tally for long-term funds is just €22bn. It now looks likely to dip below zero before the bells ring in the new year. However, December is a difficult month to call. Bed-and-breakfast activity in some markets means a sell-and-hold position until January but the effects of this are tempered by Sweden's annual injection of PPM money. Elsewhere, fund selectors are repositioning their portfolios for the next quarter and their stance is likely to be cautious. Looking ahead to 2019, market volatility will dissuade mainstream retail investors from venturing out of cash but sophisticated investors will be looking for opportunities to inject performance into their portfolios.

European Net Sales by Investment Type (€bn)

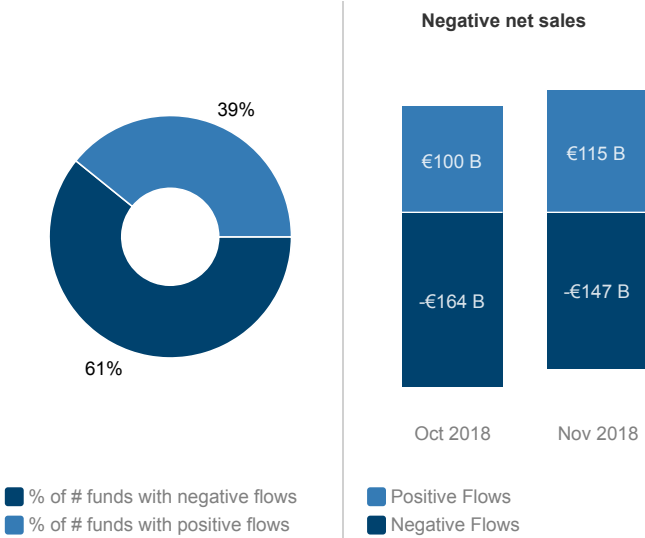
Investment Type	Dec 2017	Jan 2018	Feb 2018	Mar 2018	Apr 2018	May 2018	Jun 2018	Jul 2018	Aug 2018	Sep 2018	Oct 2018	Nov 2018
Bond	18,803	32,041	-7,025	4,683	434	-16,229	-13,601	5,010	-4,694	-13,420	-30,775	-15,900
Equity	11,174	44,223	12,087	4,621	7,441	-3,989	-7,117	-168	1,457	555	-18,104	-4,138
Mixed	14,417	19,662	14,705	12,107	5,282	7,698	5,489	4,011	2,316	-3,057	-11,128	-8,315
Money Market	-17,548	33,251	-33,063	-8,035	9,618	-10,089	-16,548	9,593	-2,528	-26,234	44,980	-16,447
Rest	3,941	2,432	212	1,674	2,221	-3,106	242	-1,424	-88	683	-3,584	-3,500

Top Markets by Sales - Latest Month (€bn)

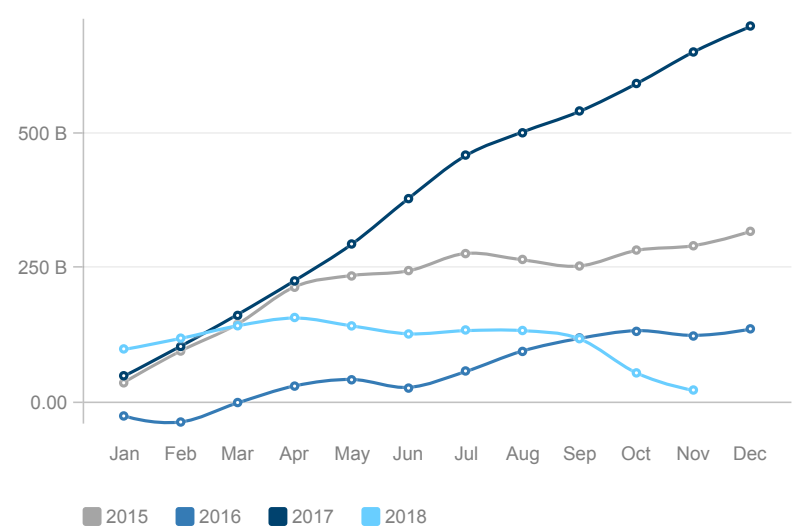
Fund Market	Assets	Previous month Net Sales	Latest Net Sales	Bottom selling fund	Top selling fund
Belgium	113 B	-1.6 B	1.5 B	-0.5 B	1.1 B
Italy	465 B	-1.7 B	0.8 B	-0.4 B	0.4 B
Denmark	108 B	-0.3 B	0.3 B	-0.1 B	0.2 B
Turkey	3 B	-0.2 B	0.0 B	-0.0 B	0.0 B
Hungary	9 B	0.0 B	0.0 B	-0.0 B	0.1 B
Portugal	8 B	-0.0 B	0.0 B	-0.0 B	0.0 B

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

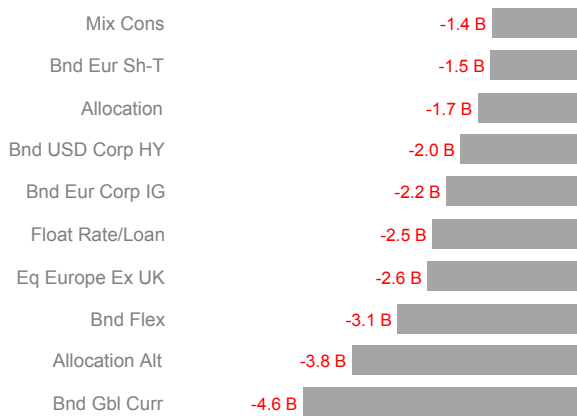
Flow sentiment



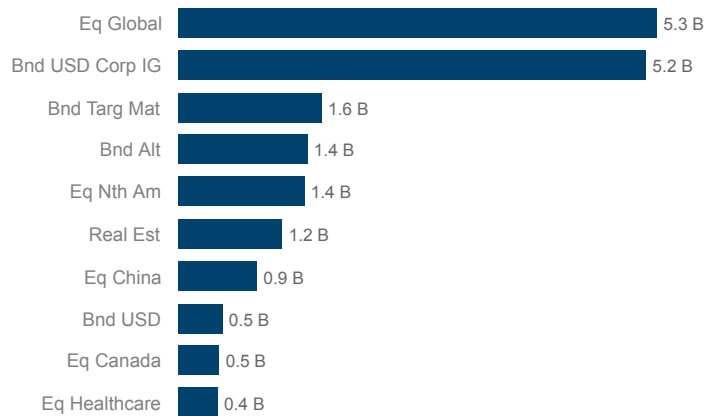
Cumulative net sales by year (€bn)



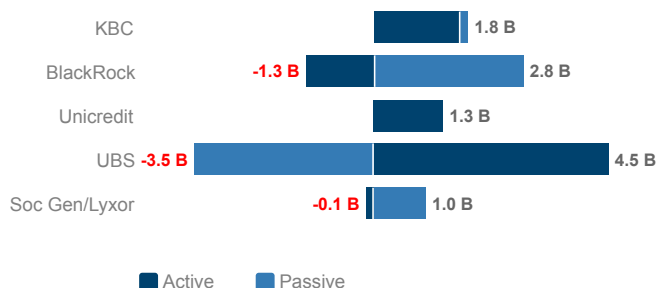
Bottom 10 selling sectors - Latest month (€bn)



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
Natixis	FR	94.6 B	13.9 B
UBS	CH	267.1 B	12.4 B
BlackRock	US	633.6 B	11.7 B
MMC/Mercer	US	46.1 B	10.2 B
Vanguard	US	141.1 B	9.8 B

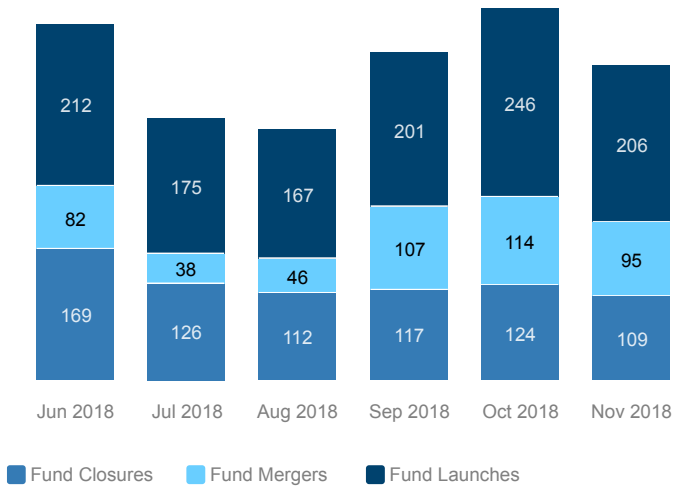
Top 10 Selling Funds - Latest month (€m)

Fund Name	Fund Domicile	Fund Investment Type	Net Sales
Focused Sicav - High Grade Bond USD	Luxembourg	Bond	5,763
Threadneedle (Lux) - European Smaller Companies	Luxembourg	Equity	1,856
Threadneedle (Lux) - European Select	Luxembourg	Equity	1,390
M&G (Lux) Investment Funds 1 - Euro Corporate Bond Fund	Luxembourg	Bond	1,247
iShares Core S&P 500 UCITS ETF (USD)	Ireland	Equity	1,185
KBC Bonds SRI Strategic EMU Short	Luxembourg	Bond	1,147
M&G (Lux) Investment Funds 1 - Global Convertibles Fund	Luxembourg	Other	1,098
KBC Bonds SRI Strategic EMU Short Medium	Luxembourg	Bond	881
Threadneedle (Lux) - Global Equity Income	Luxembourg	Equity	871
UBS ETFs plc - MSCI ACWI SF UCITS ETF	Ireland	Equity	827

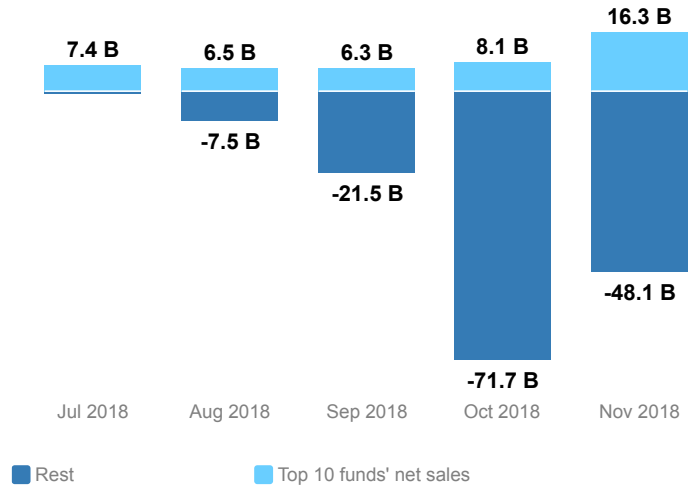
Best Sellers by Month (€bn)

Fund Name	Fund Domicile	Type	Month/Year	Net Sales
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	1.2 B
			Aug 2018	1.3 B
			Jul 2018	1.8 B
			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
Gestuelle 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

Historical fund launches & closures



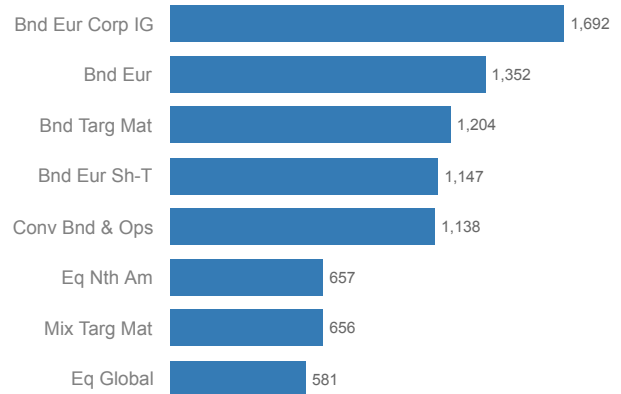
Proportion of net sales of the top ten selling funds



Fund launches by group - Latest month (€m)

Master Group	# Funds	Net Sales
KBC	16	3,089
M&G/Eastspring	10	3,053
Unicredit	12	1,311
Intesa SP	11	599
UBS	8	450

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
M&G (Lux) Investment Funds 1 - Euro Corporate Bond Fund	LU	Bond	2018-11	1,247
KBC Bonds SRI Strategic EMU Short	LU	Bond	2018-11	1,147
M&G (Lux) Investment Funds 1 - Global Convertibles Fund	LU	Other	2018-11	1,098
KBC Bonds SRI Strategic EMU Short Medium	LU	Bond	2018-11	881
Anima Metodo&Selezione 2024	IT	Mixed Assets	2018-11	355
M&G (Lux) Investment Funds 1 - North American Value Fund	LU	Equity	2018-11	306
PICM - Investment Grade	LU	Bond	2018-11	285
Bankia Garantizado Rendimiento Bolsa, FI	ES	Other	2018-11	271
Eurizon Obbligazioni - Edizione Piu	IT	Bond	2018-11	264
HSBC GIF Global Credit Floating Rate Fixed Term Bond 2022	LU	Bond	2018-11	261

Data in EURO as at: Nov 2018

For more information please contact laura.cohen@broadridge.com

