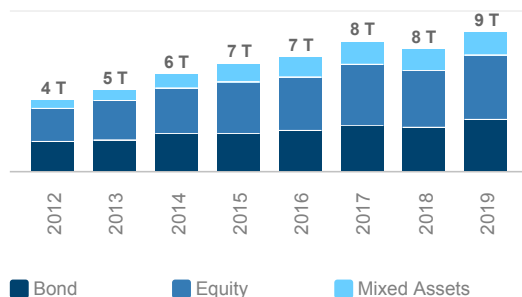


# FundFlash Monthly Snapshot of European Trends



## European assets by investment type



## Sep 2019 net sales of long term funds

€22.9 B

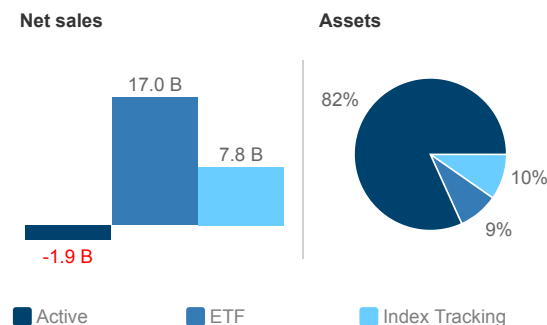
## YTD net sales of long term funds

€92.4 B

## Asset Growth month on month

+1.82%

## Passive vs Active overview in Sep 2019



## September in brief

- A good month to end a volatile quarter for long-term funds. Q3 becomes the best quarter of the year, helped by net inflows in September of €23bn.
- The tsunami of cash pouring into money market funds halts, as is usual in this month of the year. By normal standards, though, the pace of outflows is slight at €16bn.
- The September sales boost, however, is dominated by passive funds, and ETFs in particular. Active funds register redemptions of €1.9bn.
- Fixed income fever falters. Bond funds retain their edge, but inflows are pared back to their lowest point of the year (€13bn). Equities take up the slack with their first positive month since November 2018.
- Appetite for risk rises in the form of Global Equities, September's most successful sector, with €9bn of new money, buoyed by ETFs.
- With passive funds dominant, BlackRock regains its sales crown with inflows of €4.3bn.
- At the fund level, a recently-launched short-term bond fund from Spain's La Caixa banking franchise posts the largest inflows of the month (€2.6bn).

## All change in the direction of travel

Rate cuts from both the US Fed and the ECB helped to buoy risk appetite in September, forcing investors to search for ways to inject some performance into their portfolios. Their decision to increase equity exposure was further helped by the more soothing tones of China/US trade negotiators, although offsetting this positive was a riotous month in the UK as politicians battled acrimoniously over Brexit. So, while investor mood elsewhere showed signs of improvement, the UK fund fire sale raged on, dampening down Europe's overall sales results.

Against this background, net sales of long-term funds bounced back to positive territory after their August lull, but it was all change in the categories of products favoured. Bond funds continued to attract most attention, with new money going into strategies across the risk spectrum. Global currency options held the high ground, but safe haven products also jostled for position with a number of emerging market and high yield sectors. The big news, though, was the recovery of the equity and mixed asset categories, which have both been stuck in the red zone all year. Global and North American sectors took the largest flows, but of the €13bn of inflows received, 69% went into ETFs. In light of the debilitating status of Brexit, the €1bn of inflows that went into UK equities came as a surprise, but once again ETFs were the beneficiary.

In the context of ETFs in particular, and passive funds more generally, it is worth noting that redemptions from actively managed equity funds this year are edging ever closer to levels last seen in the 2008 fire sale. Then, all equity funds struggled. Today's outflows, however, are a direct consequence of pricing transparency and a secular shift of assets into low-cost passives.

## Looking ahead

The final quarter could well end with a welcome uptick in sales volumes. The ECB has begun to buy bonds again and, even though markets hoped for more from the US Fed, the general fear of global recession seems to have been allayed. This should help all the major asset classes, although mainstream retail investors will take time to join the party.

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

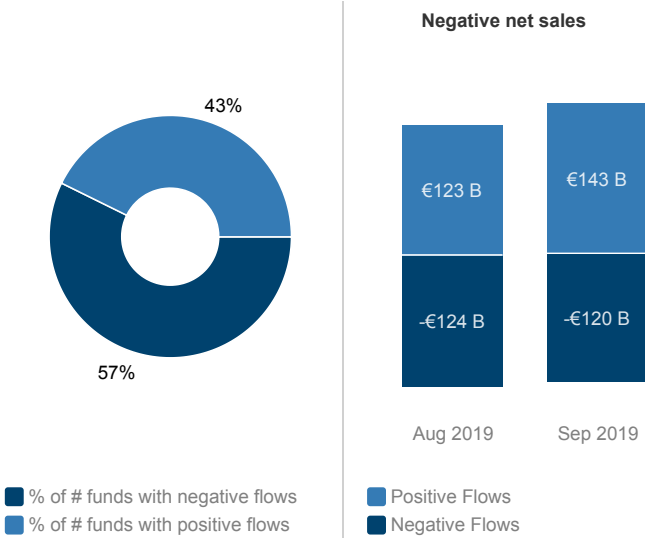
Investment Type	Oct 2018	Nov 2018	Dec 2018	Jan 2019	Feb 2019	Mar 2019	Apr 2019	May 2019	Jun 2019	Jul 2019	Aug 2019	Sep 2019
Bond	-26,501	-14,088	-21,906	14,428	17,321	25,267	26,457	18,500	31,769	32,176	26,317	13,230
Equity	-17,243	987	-17,983	-2,292	-1,785	-21,209	-13,374	-19,310	-4,731	-3,469	-24,522	8,139
Mixed	-9,873	-8,237	-8,303	-4,486	-3,945	-6,159	-3,254	-4,515	-393	-3,951	-2,209	2,646
Money Market	44,633	-16,854	25,830	1,164	-13,303	1,846	7,432	8,563	-14,577	42,515	44,287	-15,779
Rest	-779	-2,207	-3,645	-3,990	609	-2,292	193	2,110	154	484	-385	-1,160

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

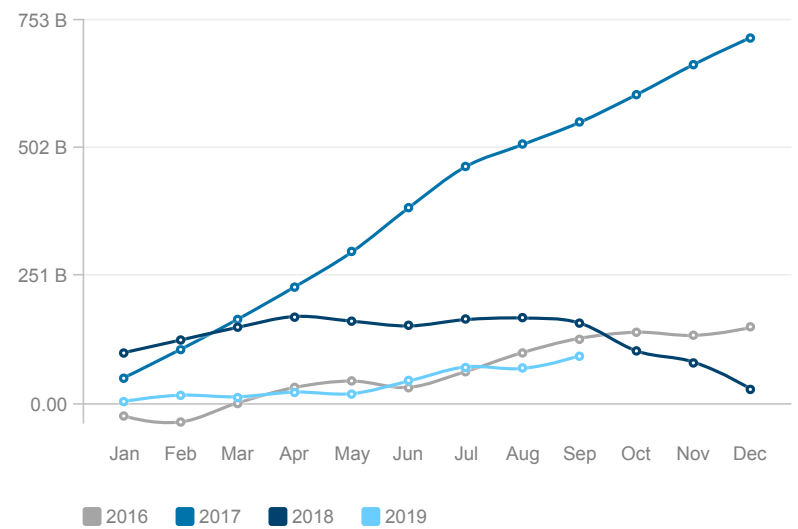
Fund Market	Assets	Previous month Net Sales	Latest Net Sales	Bottom selling fund	Top selling fund
International *	4,762 B	-0.3 B	17.2 B	-6.1 B	3.3 B
Spain	183 B	0.3 B	3.8 B	-0.1 B	2.4 B
Germany	665 B	3.4 B	2.6 B	-0.5 B	0.5 B
Italy	494 B	0.3 B	1.5 B	-0.4 B	0.7 B
Switzerland	506 B	2.1 B	1.3 B	-0.3 B	0.3 B
Belgium	123 B	-0.7 B	0.5 B	-0.1 B	0.1 B

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

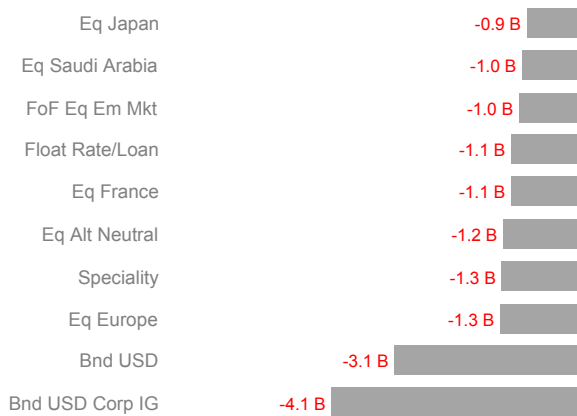
**Flow sentiment**



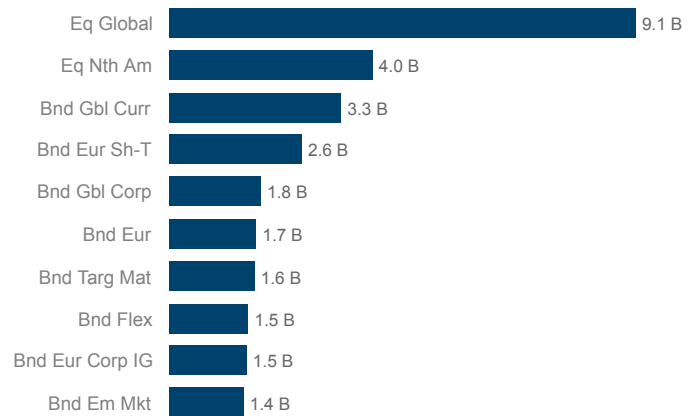
**Cumulative net sales by year (€bn)**



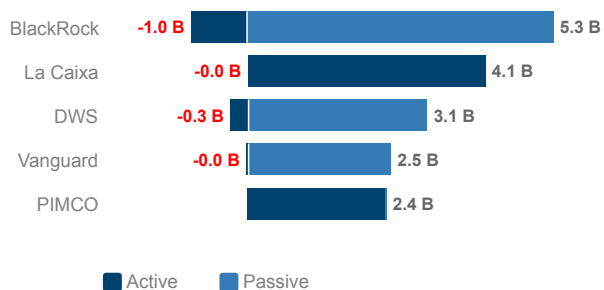
**Bottom 10 selling sectors - Latest month (€bn)**



**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	736.5 B	25.5 B
PIMCO	US	181.5 B	24.2 B
AB	US	84.1 B	13.8 B
Credit Suisse	CH	163.3 B	13.4 B
ACCESS	GB	11.6 B	10.8 B

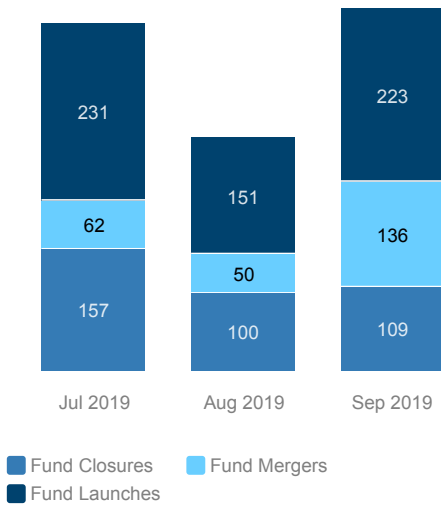
### Top 10 Selling Funds - Latest month (€m)

Fund Name	Fund Domicile	Investment Type	Fund Strategy	Net Sales
UBS ETFs plc - MSCI ACWI SF UCITS ETF	Ireland	Equity	Passive	3,282
Caixabank Master Renta Fija Corto Plazo FI	Spain	Bond	Active	2,408
Xtrackers MSCI USA UCITS ETF	Ireland	Equity	Passive	1,483
PIMCO GIS Income Fund	Ireland	Bond	Active	1,460
AB FCP I American Income Portfolio	Luxembourg	Bond	Active	1,403
HSBC GIF Global Credit Floating Rate Fixed Term Bond 2023 - 2	Luxembourg	Bond	Active	981
HSBC Global Aggregate Bond Index Fund	Ireland	Bond	Passive	833
iShares Core FTSE 100 UCITS ETF	Ireland	Equity	Passive	815
Caixabank Master Renta Variable Emergente Advised By, FI	Spain	Equity	Active	811
Muzinich Enhanced Yield Short-Term Fund	Ireland	Bond	Active	752

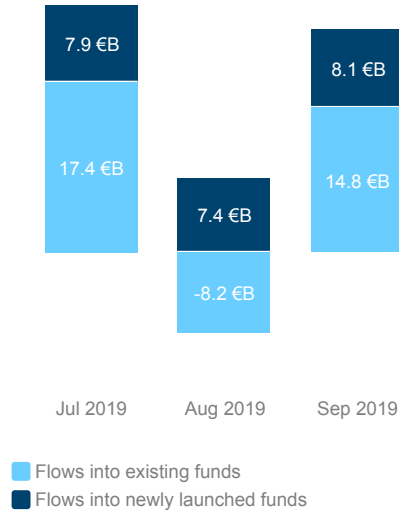
### Best Sellers by Month (€bn)

Fund Name	Fund Domicile	Type	Month/Year	Net Sales
UBS ETFs plc - MSCI ACWI SF UCITS ETF	Ireland	Eq	Sep 2019	3.3 B
Focused Sicav - US Treasury Bond USD	Luxembourg	Bnd	Aug 2019	6.1 B
UBS ETFs plc - MSCI ACWI SF UCITS ETF	Ireland	Eq	Jul 2019	3.7 B
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

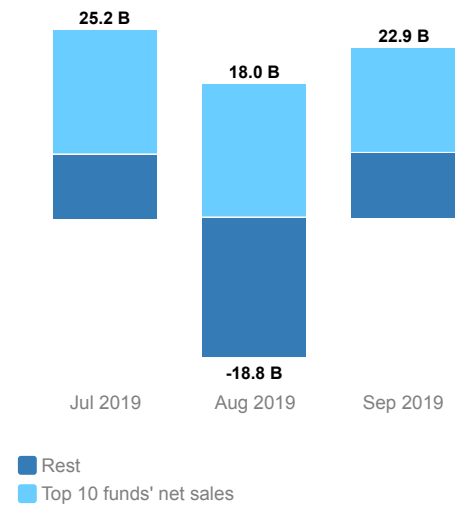
### Historical fund launches & closures



### New launch flows vs existing funds



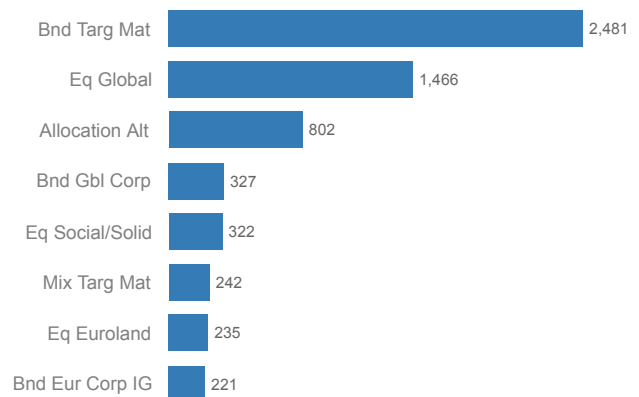
### Net sales of the top10 selling funds vs the rest



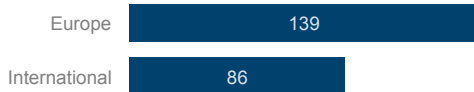
### Fund launches by group - Latest month (€m)

Master Group	# Funds	Net Sales
HSBC	5	1,094
Amundi	11	792
MMC/Mercer	3	698
ACCESS	1	652
Soc Gen/Lyxor	4	610

### 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
HSBC GIF Global Credit Floating Rate Fixed Term Bond 2023 - 2	LU	Bond	2019-09	981
Amundi Strategy Funds - Global High Yield Opportunities 2025	LU	Bond	2019-09	722
LF ACCESS Global Equity Fund - JOHCM	GB	Equity	2019-09	652
Lyxor/Bridgewater Core Global Macro	IE	Mixed Assets	2019-09	585
Mercer NFU Mutual Global Alpha Fund	IE	Equity	2019-09	496
Legg Mason Western Asset Diversified Global Credit Fixed Maturity Bond Fund Series 3	IE	Bond	2019-09	452
CS Investment Funds 2 - CS (Lux) Edutainment Equity Fund	LU	Equity	2019-09	322
Mercer NFU Mutual Global Strategic Fund	IE	Equity	2019-09	202
KLP Obligasjon Global Mer Samfunnsvar	NO	Bond	2019-09	201
UBS (Lux) Bond SICAV - 2024 (USD)	LU	Bond	2019-09	199

Data in EURO as at: Sep 2019

For more information please contact [laura.cohen@broadridge.com](mailto:laura.cohen@broadridge.com)

