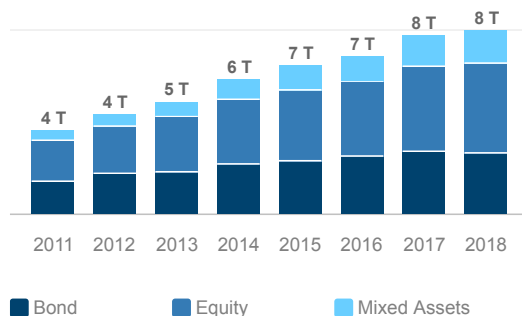


FundFlash Monthly Snapshot of European Trends



European assets by investment type



Sep 2018 net sales of long term funds

-€15.9 B

YTD net sales of long term funds

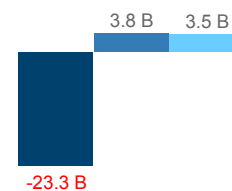
€112.7 B

Asset Growth month on month

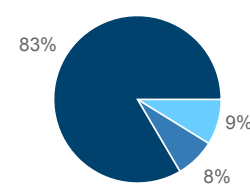
-0.08%

Passive vs Active overview (€B) in Sep 2018

Net sales



Assets



September in brief

- A bad month in Europe as August's mild redemptions deteriorate into a more substantial sell-off. Long-term funds lose €16bn to outflows.
- Cyclical withdrawals from French investors contribute to an additional €26bn of redemptions from money market funds.
- Active funds suffer, with €23bn pulled out in the latest cull. Passive funds enjoy a modestly good month posting €7bn of net inflows.
- Another bond sell-off sends the category into redemption for the year to date but the stalwart mixed asset category sees its first month of redemptions in six years.
- Global strategies prop up equity sales with nearly €4bn of inflows. Active funds contribute a quarter of this volume.
- Swiss giant UBS heads the group sales chart for long-term funds, but with the lowest volume of any monthly leader this year (€1.2bn).
- At the fund level, AGI's Income and Growth leads and is the only long-term fund to register more than €1bn of net sales in September.

Clouds loom dark in the horizon

Any hope that the dreary third quarter would end with a sales uptick was dashed by market uncertainty from a number of quarters; trade war, no-deal Brexit, emerging market concerns and worries over the budget that might be produced by the new populist government in Italy. None of these fears were new but investors were back from their holidays and responded to the accumulated threats with a wave of redemptions that hit the hard-pressed bond sectors in particular, but also contaminated many mixed asset funds. Global currency products were in most difficulty but the bond category was further compromised by the controversy that infected a duo of absolute return products from GAM. These two funds alone contributed €3bn of overall bond withdrawals, which effectively wiped out modest gains made by the North American and high yield bond sectors.

More interesting, though, was the mixed asset category, which fell into redemption for the first time in more than six years. Mixed asset funds have been the reliable backbone of retail sales growth since the financial crisis, although investors have tended to rotate their assets through a restricted buy-list of high performers. This year's star is AGI's Income and Growth fund, which was also September's bestselling product despite collapsing support for the sector and rotation out of previous top-sellers from Standard Life, Carmignac and Nordea.

On the bright side, equity funds survived the general cull, ending the month in positive territory, although only just. Nearly €6bn of new money went into global and North American strategies and, although passive products dominated, active managers accounted for a third of the volume. Open-ended real estate funds, generally a popular retreat in volatile periods, formed the most successful product category of the month.

Looking ahead

With the storm front building in October there seems little likelihood of the current bout of negative sentiment reversing. Indeed, redemption levels could well increase, leaving the industry to hope for some stabilisation in the final two months of the year if it is to avoid full-year results dipping into the red zone.

European Net Sales by Investment Type (€bn)

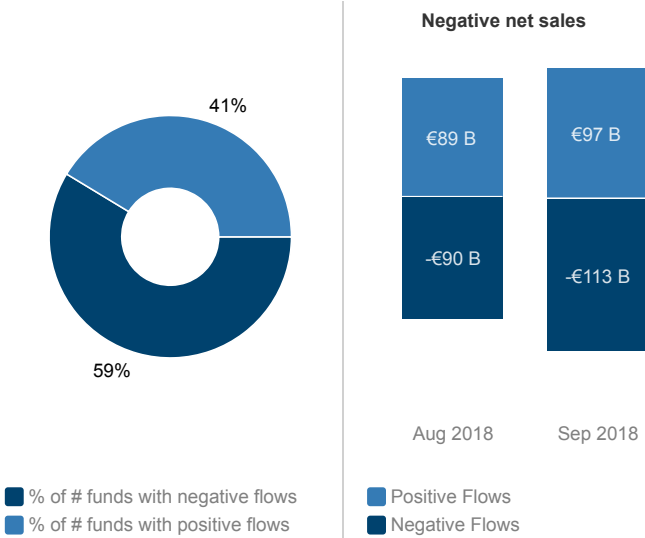
Investment Type	Oct 2017	Nov 2017	Dec 2017	Jan 2018	Feb 2018	Mar 2018	Apr 2018	May 2018	Jun 2018	Jul 2018	Aug 2018	Sep 2018
Bond	17,644	29,666	18,750	31,869	-7,191	4,421	296	-16,582	-13,514	4,896	-4,561	-13,868
Equity	17,350	12,553	11,138	43,881	11,734	4,251	7,092	-4,363	-6,964	-264	1,329	497
Mixed	15,571	12,391	14,333	19,468	14,519	11,989	5,261	7,574	5,315	3,941	2,240	-3,200
Money Market	20,965	-1,843	-17,543	33,248	-33,076	-8,018	10,318	-10,111	-16,551	10,180	-2,532	-26,271
Rest	317	4,558	3,592	2,415	205	1,680	2,218	-3,111	136	-1,494	-85	635

Top Markets by Sales - Latest Month (€bn)

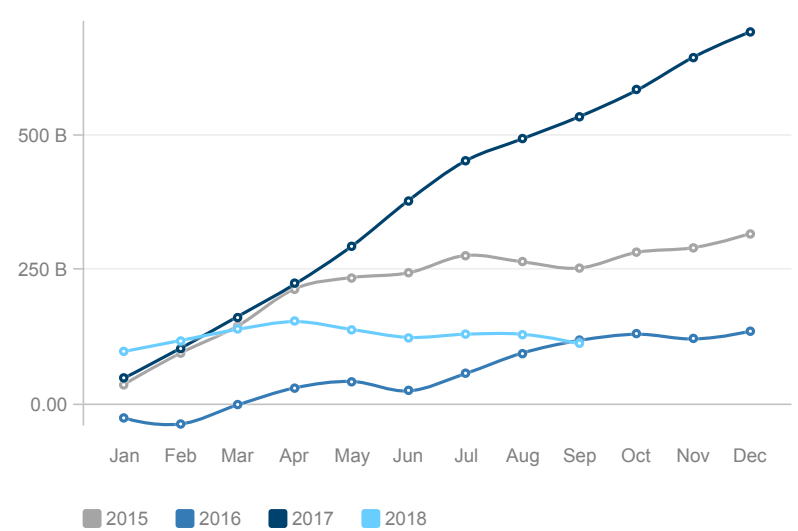
Fund Market	Assets	Previous month Net Sales	Latest Net Sales	Bottom selling fund	Top selling fund
Switzerland	460 B	1.0 B	2.1 B	-0.2 B	0.3 B
Germany	629 B	1.2 B	1.2 B	-0.2 B	0.4 B
Norway	94 B	0.1 B	0.1 B	-0.1 B	0.1 B
Croatia	1 B	0.0 B	0.0 B	-0.0 B	0.0 B
Malta	2 B	-0.0 B	0.0 B	-0.0 B	0.0 B
Portugal	8 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.

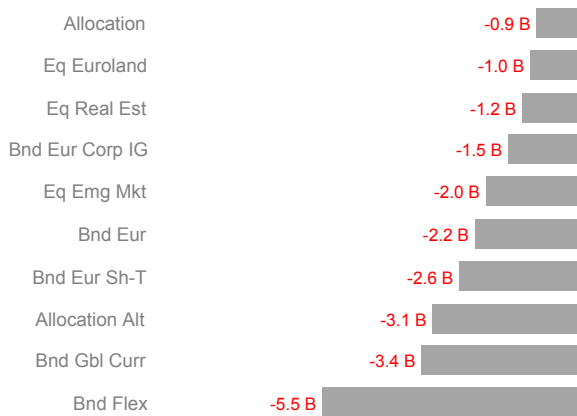
Flow sentiment



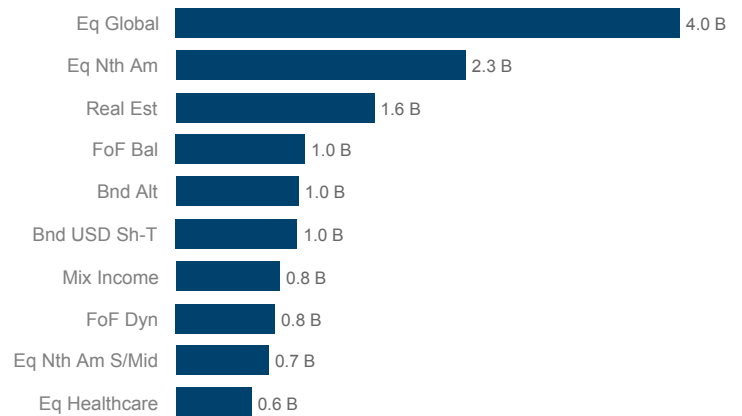
Cumulative net sales by year (€bn)



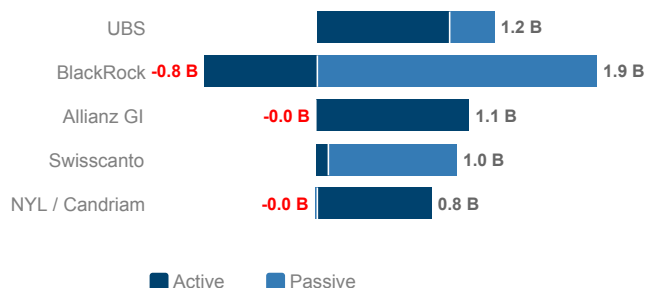
Bottom 10 selling sectors - Latest month (€bn)



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
BlackRock	US	658.2 B	27.7 B
UBS	CH	274.0 B	16.3 B
Natixis	FR	96.9 B	16.0 B
Amundi	FR	304.3 B	15.3 B
Intesa SP	IT	188.0 B	12.6 B

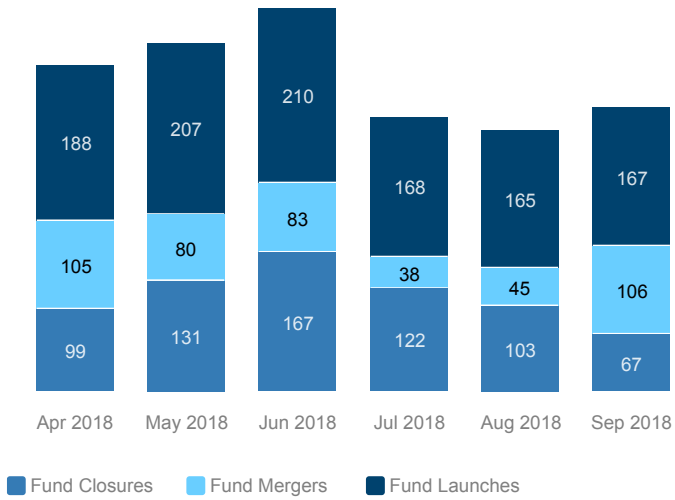
Top 10 Selling Funds - Latest month (€m)

Fund Name	Fund Domicile	Fund Investment Type	Net Sales
Allianz Global Investors Fund - Allianz Income and Growth	Luxembourg	Mixed Assets	1,205
Multi Manager Access II - Emerging Markets Debt	Luxembourg	Bond	867
Multi Manager Access II - High Yield	Luxembourg	Bond	838
Multi Manager Access - US Equities	Luxembourg	Equity	506
Amundi S&P 500	Luxembourg	Equity	502
Fidelity US Quality Income UCITS ETF	Ireland	Equity	501
BlackRock ACS 30:70 Global Equity Tracker	United Kingdom	Equity	500
BlackRock ACS World ex UK Equity Tracker	United Kingdom	Equity	475
iShares MSCI Europe Momentum Factor UCITS ETF	Ireland	Equity	455
BlackRock Liability Solutions Funds II - £ Tailored Fund X	Ireland	Other	431

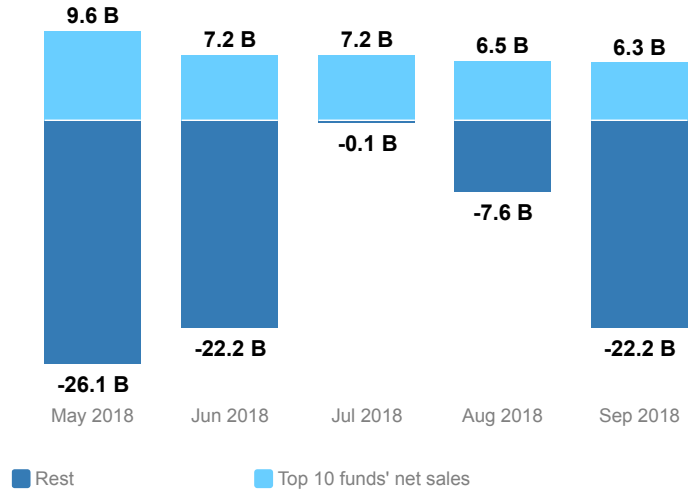
Best Sellers by Month (€bn)

Fund Name	Fund Domicile	Type	Month/Year	Net Sales
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
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

Historical fund launches & closures



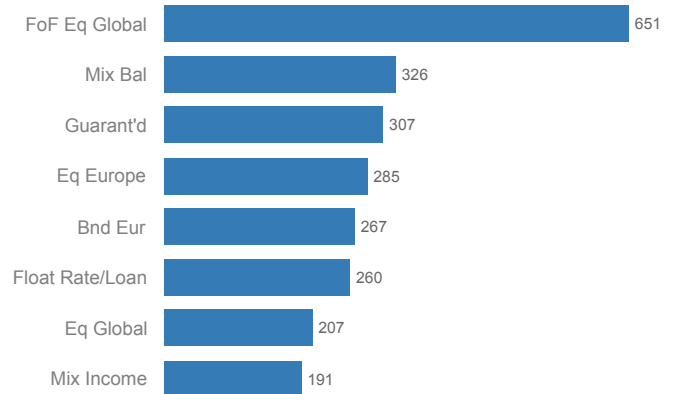
Proportion of net sales of the top ten selling funds



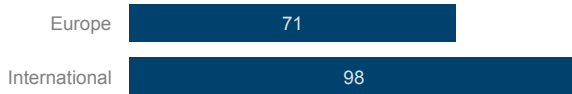
Fund launches by group - Latest month (€m)

Master Group	# Funds	Net Sales
Credit Suisse	3	756
M&G/Eastspring	5	431
Unicredit	2	336
BP Cooperativa	1	310
BlackRock	10	269

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
CSIF (CH) III Equity World ex CH Blue - Pension Fund	CH	Fund of Funds (in-house)	2018-09	651
Gestielle Investment Sicav - Cedola Risk Control Energie Rinnovabili	LU	Mixed Assets	2018-09	310
Schroder Euro Bond FAM Fund	IE	Bond	2018-09	255
Candriam Bonds Floating Rate Notes	LU	Bond	2018-09	151
Bankia Garantizado Rentas Crecientes, FI	ES	Other	2018-09	123
M&G (Lux) Investment Funds 1 - Optimal Income Fund	LU	Bond	2018-09	115
Amundi Stoxx Global Artificial Intelligence	LU	Equity	2018-09	115
M&G (Lux) Investment Funds 1 - European Strategic Value Fund	LU	Equity	2018-09	112
M&G (Lux) Investment Funds 1 - Global Floating Rate High Yield Fund	LU	Bond	2018-09	109
BlackRock Global Funds - Global Conservative Income Fund	LU	Mixed Assets	2018-09	100

Data in EURO as at: Sep 2018

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