



FUNDFLASH

Monthly snapshot of European trends

Sell in May and go away

It is an adage that quite often speaks some truth; in the good times sales volumes often take a dive in May and when investors are nervous this is the point at which they start to take profits as wealth managers begin to position their portfolios for their half-year client reports. A weak sales month in May generally prefaces a deterioration in volumes as the summer progresses. After an ugly start to 2016, longterm funds enjoyed a brief period of respite in March and April bringing the cumulative sales total for the year back to par. But this respite came to an abrupt end in May with net inflows falling from €17bn (including ETFs) to just €6.5bn. In fact this was the third consecutive month of decline and anticipates a phase of outflows that will inevitably follow June's Brexit turmoil.

The direction of sales further highlighted the efforts being made by investors to cushion the effects of any market volatility that might follow the referendum. Money market funds, despite their impoverished yields, benefited from the largest inflows and, for once, French institutions were not the primary source of business. The bulk of new money went into the large cross-border institutional funds. Some investors took a bet on Sterling but most of the new money went into funds denominated in US Dollars.

Amongst the long-term sectors, equity funds suffered a fifth consecutive monthly cull and this month's outflows were the worst of the set. Emerging markets and liquid alternative options continued to take in new money but all the large core regional sectors were trashed with Europe leading the way. Fixed income and mixed asset funds maintained positive traction but volumes were lethargic. Corporate bonds retained some of their shine but with the US Fed hinting that a rate rise could be on the agenda in the near future, investors pulled nearly €3.5bn out of dollar-based high yield products.

What next?

The Brexit vote and its immediate aftermath, which will no doubt have delivered some redemptions in June. Ironically one of May's star sectors – open-ended.

MAY IN BRIEF:

Another month of positive inflows wipes out the redemptions built up in the first two months of the year.

Long-term funds register inflows of €6.5bn in May – a serious decline in volumes as investors wait for the Brexit vote.

Active funds continue to grab the bulk of inflows but year-to-date they remain €19bn under water.

Money market sales soar to their highest point in six months as investors – mainly institutions – look for safe-haven options.

In a thin and potentially volatile market, active investors favour hedge-type strategies. Derivative-based funds gather the largest inflows.

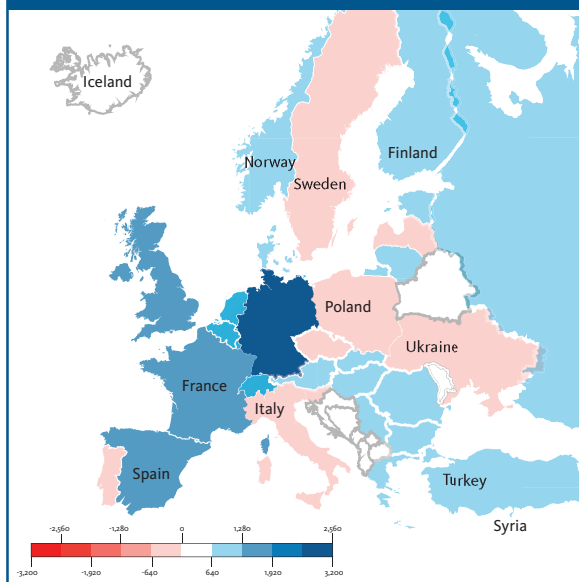
Robeco scores the largest long-term net sales of the month thanks to two 'Customized Liability' funds.

Nordea's Stable Return Fund reigns supreme in May gathering over €1bn of net inflows.



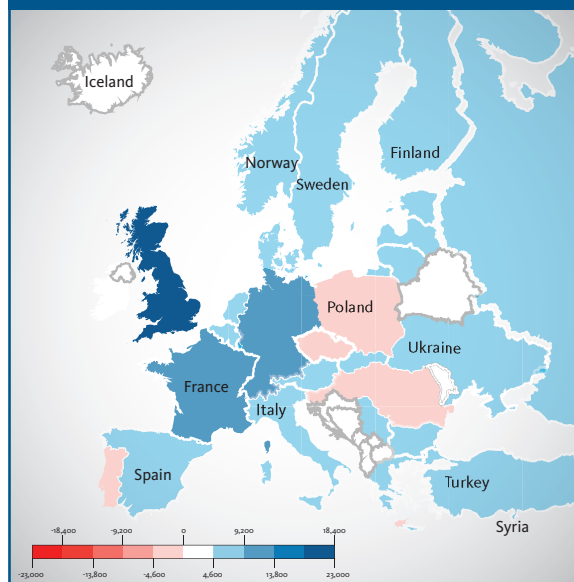
Broadridge®

Map of Estimated Net Sales in May 16 (€m)



Note: European Data Map excludes international activity

Map of Asset Growth in May 16 (€m)



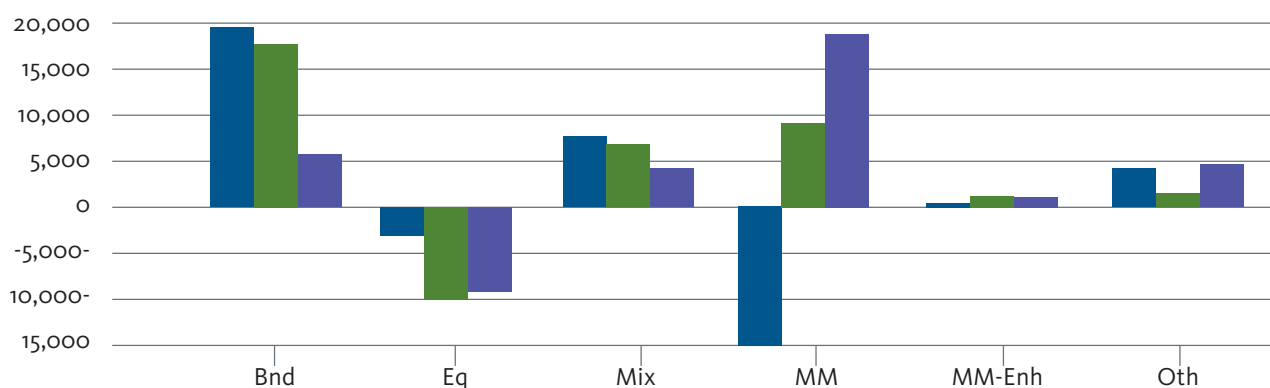
Top 5 Markets by Asset May 16 (€bn)

Fund Market	Assets	Mth Grwth
International	3,351.0	45.3
United Kingdom	1,042.5	22.5
Germany	553.8	7.6
Switzerland	409.3	4.6
Italy	404.5	1.5
Rest	1,262.5	16.6
Total	7,023.6	98.1

Top 5 Markets by ENS in May 16 (€m)

Fund Market	Est Net Sales
Germany	2,563.2
Spain	939.1
United Kingdom	855.4
Belgium	750.1
Switzerland	615.7
Rest	-199.2
Total	5,524.4

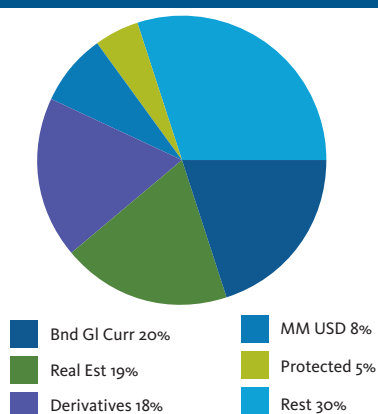
Month-on-Month Comparison ENS (€m)



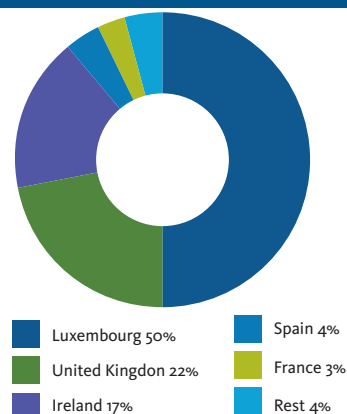
Note: charts and rankings on this page exclude funds of funds and money market funds. ENS=Estimated net sales. TNA=Total net assets.

Mar 2016 Apr 2016 May 2016

Launches: Top Sectors by Assets in Apr 16



Launches: Assets by domicile in Apr 16



Top Selling Sectors Latest 12 Months (€m)

Asset Alloc Alt	37,969.2
Eq Alt	26,768.9
Asset Alloc	24,328.9
Mix Cons	11,397.5
FF Bal	11,318.2
FF Asset Alloc	11,277.1
Eq Europe	11,026.0
Eq Global Inc	8,822.3
FF Bnd	8,443.3
Mixed Income	7,886.5

Top Selling Sectors in May 16 (€m)

Bnd GI Corp	2,646.5
Derivatives	2,474.8
Bnd Eur CIG	2,274.8
Bnd GI Curr	1,977.1
Asset Alloc	1,749.1
Asset Alloc Alt	1,741.3
Real Est	1,563.9
Bnd USD Sh-T	1,485.8
Eq Em Mkt	1,146.5
Commod	1,029.7

Bottom Selling Sectors Latest 12 months

Bnd Flex	-22,116.2
Bnd USD Corp HY	-15,275.0
Bnd Eur	-13,934.2
Eq Pac ex Jpn	-12,278.3
Eq China	-12,217.7
Bnd Em Mkt	-9,453.8
Conv Bnd & Ops	-8,565.5
Guarant'd	-7,732.7
Bnd GBP CIG	-5,857.9
Targ Mat Euroland	-5,766.3

Bottom Selling Sectors in May 16

Bnd USD Corp HY	-3,442.6
Eq Europe	-2,439.4
Eq Japan	-1,500.7
Bnd Flex	-1,452.0
Eq Nth Am	-1,310.2
Bnd Em Mkt Loc Cur	-1,189.9
Eq China	-1,121.5
Eq Euroland	-1,071.7
Eq UK	-854.0
Conv Bnd & Ops	-837.5

Top Master Groups by Sales in Apr 16 (€m)

Groups	Nat	Assets	Net Sales
ORIX / Robeco	JP	52,515.2	2,204.8
VR/Union	DE	135,168.4	1,974.1
KBC	BE	63,679.6	1,854.7
Nordea	SE	130,673.6	1,826.6
JP Morgan	US	138,014.7	1,526.2

Top Master Groups by Assets Growth (€m)

Groups	Nat	Assets	Assets Growth LY
Nordea	SE	130,673.6	10,754.4
Vanguard	US	90,939.5	7,347.1
VR/Union	DE	135,168.4	5,357.8
Aegon	NL	26,865.4	4,949.1
Aviva	GB	56,110.7	3,959.9

Top 10 Selling Funds in May 16 (€m)

Fund Name	Domicile	ENS
Nordea 1 - Stable Return Fund	Luxembourg	1,157.6
JPMorgan Funds - Managed Reserves Fund	Luxembourg	1,049.8
PIMCO GIS Income Fund	Ireland	1,004.8
Bridgewater Pure Alpha Strategy 18% Volatility	British Virgin Islands	919.6
Robeco Customized Liability Driven Fund IV	Luxembourg	877.7
Franklin Global Investment Funds - Franklin Upper Tier Floating Rate II Fund	Luxembourg	694.8
Franklin Global Investment Funds - Franklin Upper Tier Floating Rate III Fund	Luxembourg	692.1
Unilmmo: Global	Germany	668.0
Schroder European Fund	United Kingdom	572.5
AllianceBernstein - American Income Portfolio	Luxembourg	534.3

Top 5 Selling Funds Latest Quarter (€m)

Fund Name	Type	ENS
Nordea 1 - Stable Return Fund	Mixed Assets	3,983.1
State Street ACS North America Index Equity Fund	Equity	2,989.7
Bridgewater Pure Alpha Strategy 18% Volatility	Hedge	2,456.2
CS Nova (Lux) Fixed Maturity Bond Fund 2019	Bond	2,280.5
JPMorgan Investment Funds - Global Macro Opportunities Fund	Mixed Assets	2,064.0