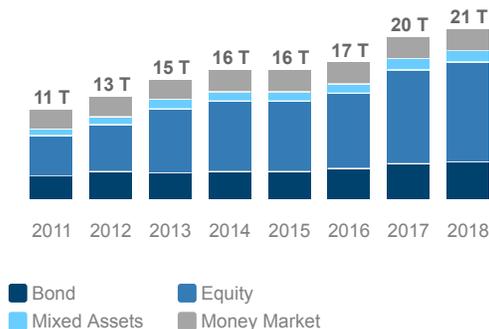


FundFlash Monthly Snapshot of US Trends



Assets by investment type (\$T)



Aug 2018 net sales of long term funds

\$12.4 B

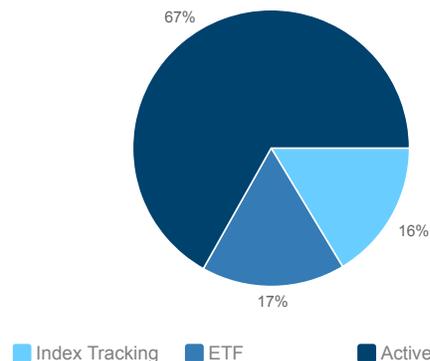
Jul 2018 net sales of long term funds

\$22.2 B

Asset Growth month on month

+1.35%

Asset split by strategy



August in brief

- A rising tide lifted stocks across most sectors, but investors withdrew further from active equity funds (mutual funds and ETFs) and pulled \$21.6 billion from them, the fourth consecutive month these products have had outflows and the largest monthly outflow this year. Active bond products had inflows of about \$9.0 billion (the most since January) while money market funds had inflows of \$39.1 billion.

- Most domestic stock benchmarks hit all-time highs in August as some observers considered this to be the longest bull market in history. Although it was up 2.6% for the month, the Dow Jones Industrials Average failed to reach a new high and was outpaced by the more diversified S&P 500 (up 3.3%) as well as the small-cap Russell 2000 (up 4.3%).

- Net sales of index-tracking products of all types settled down from +\$37.2 billion in July to +\$30.6 billion in August. Passive equity fund flows came in at a positive \$22.6 billion and passive bond products flows decelerated from \$17.0 billion in July to just \$9.3 billion in August.

- Net sales of all ETF products (including actively managed ones) surged by \$20.8 billion as investors piled into equity (+\$19.5 billion) and bond (+\$3.3 billion) products and withdrew a net \$2.5 billion from commodity-related ones.

- The only actively managed products to make the top ten inflows list for August were all bond mutual funds, led by Bridge Builder Core Plus Bond with net inflows of \$1.6 billion. By firm, BlackRock nudged out Vanguard for the top spot by a score of +\$14.5 billion to +\$8.0 billion and was followed by JP Morgan, Schwab, and the Bridge Builder brand from Edward Jones.

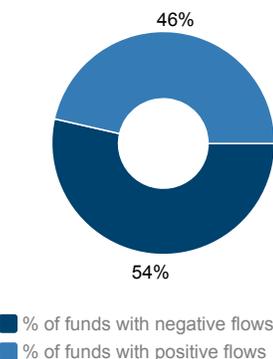
Trade Tensions Punish Emerging Market Stocks

U.S. stocks, as measured by the S&P 500 index, continued to move the ball downfield and the index ended August at 2,901; momentum appears entrenched enough to get past 3,000 shortly. Small-caps (+4.3%) outperformed large-caps (+3.3%) as investors continued to bet heavily on sustained growth. Trade tensions weighed on many ex-US benchmarks such as the MSCI EAFE (-1.9%) and the MSCI Emerging Markets (-2.7%) while concerns of a "no-deal" Brexit sent UK stocks down slightly and worries about Turkey (whose major lenders are Europe's largest banks) sent the MSCI Europe index down 2.9%. Argentina was especially hurt by a 28% devaluation of the peso, which in turn sent its stocks down 24% for the month, as its President begged the IMF to speed the release of a \$50 billion bailout package.

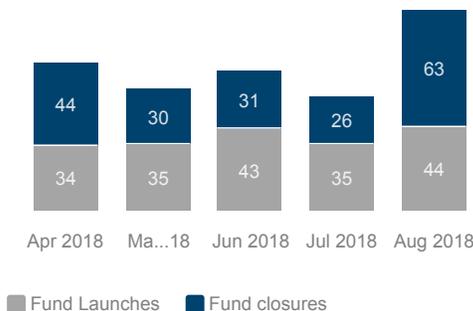
Looking ahead

Employment numbers continue to look impressive as job growth in 2018 has exceeded 2017's remarkable results. The Conference Board reported that consumer confidence hit an 18-year high in August and with a tight labor market and rising wages, economists expect consumers to keep GDP growth near 3% for the rest of the year. Encouragingly, consumer credit has not grown as fast, suggesting at a broad level that consumers aren't completely financing economic growth on their credit cards.

Flow sentiment



Fund launches & closures



Net sales by investment type - Latest month (\$bn)

Fund Investment Type	Active	Index Tracking	ETF
Bond	9.0 B	6.0 B	4.9 B
Commodity	-0.4 B	-0.1 B	-2.3 B
Equity	-21.6 B	3.1 B	19.7 B
Mixed Assets	-4.7 B	0.0 B	-0.0 B
Other	0.2 B	-0.0 B	0.5 B
Sum	-17.5 B	9.1 B	22.8 B
Money Market	39.1 B		

Top selling groups - Latest month (\$bn)

Master Group	Assets	Net Sales
BlackRock	1,693.9 B	14.5 B
Vanguard	4,644.8 B	8.0 B
JP Morgan AM	322.5 B	4.4 B
Charles Schwab	220.5 B	3.0 B
Bridge Builder	66.2 B	3.0 B
Dimensional	446.3 B	2.4 B
Capital Group	1,613.6 B	1.9 B

Top 10 selling funds - Latest month (\$m)

Fund Name	Launch Date	Strategy	Morningstar Global Category	Net Sales
iShares Core S&P 500 ETF	2000-05	Passive	US Equity Large Cap Blend	6,712
Vanguard Total International Stock Index Fund	1996-04	Passive	Global Equity Large Cap	5,714
Invesco QQQ Trust	1999-03	Passive	US Equity Large Cap Growth	3,905
Vanguard S&P 500 ETF	2010-09	Passive	US Equity Large Cap Blend	2,046
Fidelity Series Long-Term Treasury Bond Index Fund	2016-07	Passive	US Fixed Income	1,718
Bridge Builder Core Plus Bond Fund	2015-07	Active	US Fixed Income	1,609
iShares Core MSCI Emerging Markets ETF	2012-10	Passive	Emerging Markets Equity	1,521
JPMorgan BetaBuilders Canada ETF	2018-08	Passive	(empty value)	1,479
Lord Abbett Ultra Short Bond Fund	2016-10	Active	US Fixed Income	1,416
Morgan Stanley Institutional Ultra-Short Income Portfolio	2016-04	Active	US Fixed Income	1,354

Bottom 10 selling sectors - Latest month (\$bn)

Cautious Allocation	-1.4 B
Energy Sector Equity	-1.4 B
Aggressive Allocation	-1.5 B
Financials Sector Equity	-1.5 B
Global Equity	-1.5 B
Commodities Precious Metals	-1.7 B
Allocation	-1.8 B
Target Date 2000-2020	-2.5 B
US Equity Large Cap Growth	-2.6 B
US Equity Large Cap Value	-3.7 B

Top 10 Sectors selling sectors - Latest month (\$bn)

US Fixed Income	13.0 B
US Equity Small Cap	4.3 B
Global Equity Large Cap	3.9 B
Healthcare Sector Equity	2.3 B
US Equity Large Cap Blend	2.2 B
Emerging Markets Equity	2.1 B
US Municipal Fixed Income	1.8 B
Consumer Goods ...s Sector Equity	1.7 B
Target Date 2046+	1.4 B
Other Fixed Income	1.0 B

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Data in USD as at: Aug 2018

