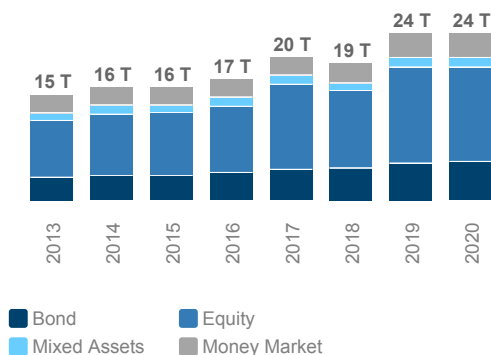


FundFlash Monthly Snapshot of US Trends



Assets by investment type (\$T)



Jan 2020 net sales of long term funds

\$77.8 B

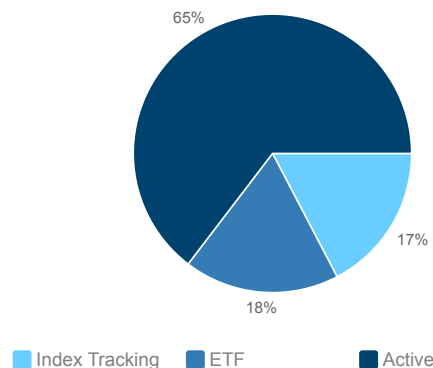
Dec 2019 net sales of long term funds

-\$3.1 B

Asset Growth month on month

+0.05%

Asset split by strategy



January in brief

• The New Year got off to a solid start as diminishing trade tensions with China spurred equities higher...that is, until the U.S. military carried out a strike on Iranian military leader Qassim Soleimani and Iran retaliated a few days later with counterstrikes on U.S. military bases in Iraq. The VIX (a volatility indicator) spiked higher and the world held its collective breath to see where this was all heading. In the end, cooler heads prevailed and tensions with Iran eased. However, shortly before the MLK holiday the Chinese government reported that an outbreak of novel coronavirus was going to require exceptional measures to contain; markets declined in response.

• Although the DJIA and S&P 500 benchmarks finished in the red, the pain was not spread evenly: Technology (+7.3%) and Utilities (+7.6%) surged while Materials (-3.4%) and Energy (-7.6%) declined. Investors changed their tune after they drained \$43.3 billion from their equity funds (both active and passive) in December and added a net \$3.1 billion in January. Inflows to all bond products surged from \$47.2 billion in December to \$73.7 billion, while money market funds went from \$69.2 billion of inflows to \$19.5 billion of outflows.

• Net sales of index-tracking mutual funds and ETFs rose sharply in January, from \$40.7 billion to \$68.6 billion.

• Vanguard easily beat out BlackRock as the top-selling complex for the month with estimated net sales of \$41.9 billion vs \$15.4 billion; State Street, Fidelity, and Schwab rounded out the rest. Passive funds accounted for the entire Top 10 best-selling funds list this month, which included eight Vanguard products.

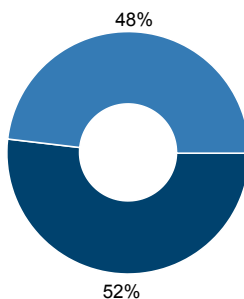
Coronavirus Takes Center Stage

We're likely in the early innings of the disease and it's really anyone's guess to what degree this will impact the global economy. China and its neighbors will obviously feel the earliest (and perhaps greatest) impacts, with whole cities under quarantine at this time. Global supply chains are already interrupted and Q4's 2.1% annualized GDP growth (in the U.S.) is all but certain to trend down as the travel and hospitality sector withstands body blows from this virulent assault. Flows to bond and cash products are likely to spike while equities will probably see their recent inflows change direction.

Looking ahead

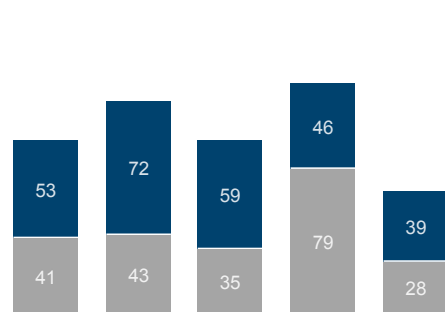
As expected in times of crisis, global central bankers are set to make accommodative policy changes to counter the economically deleterious effects of what could become a global pandemic—and at the very least, a global panic. The flight to safety is on, and investors have slashed bond yields as worries about our personal and economic health will persist until this has run its course

Flow sentiment



■ % of funds with negative flows
■ % of funds with positive flows

Fund launches & closures



■ Fund Launches ■ Fund closures

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

Fund Investment Type	Active	Index Tracking	ETF
Bond	45.3 B	14.8 B	13.7 B
Commodity	0.3 B	0.0 B	1.8 B
Equity	-35.0 B	4.2 B	34.0 B
Mixed Assets	-1.3 B	0.0 B	0.0 B
Other	0.1 B	0.0 B	0.0 B
Sum	9.2 B	19.0 B	49.5 B
Money Market	-19.6 B		

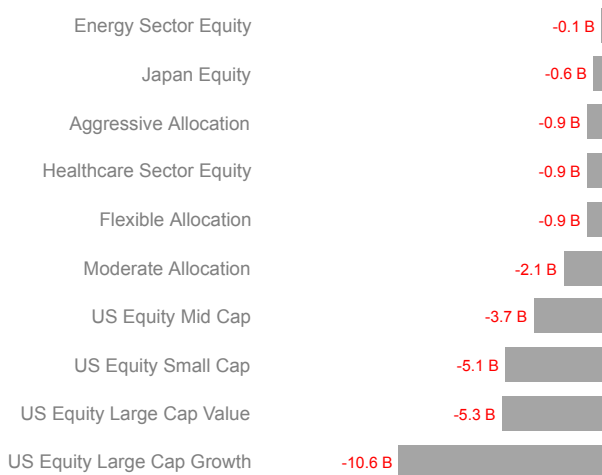
Top selling groups - Latest month (\$bn)

Master Group	Assets	Net Sales
Vanguard	5,361.7 B	41.9 B
BlackRock	2,006.7 B	15.4 B
State Street	750.9 B	4.7 B
Fidelity	1,817.0 B	3.5 B
Charles Schwab	278.1 B	3.2 B
JP Morgan AM	360.3 B	3.1 B
Lord Abbett	163.9 B	2.7 B

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

Fund Name	Launch Date	Strategy	Morningstar Global Category	Net Sales
Vanguard S&P 500 ETF	2010-09	Passive	US Equity Large Cap Blend	6,648
Vanguard Total International Stock Index Fund	1996-04	Passive	Global Equity Large Cap	4,133
Vanguard Total Bond Market II Index Fund	2009-01	Passive	US Fixed Income	3,646
Vanguard Total Bond Market Index Fund	1986-12	Passive	US Fixed Income	3,108
Fidelity 500 Index Fund	1988-02	Passive	US Equity Large Cap Blend	2,867
Vanguard Total International Bond Index Fund	2013-05	Passive	Global Fixed Income	2,848
iShares Core MSCI EAFE ETF	2012-10	Passive	Global Equity Large Cap	2,557
Vanguard Total Stock Market ETF	2001-05	Passive	US Equity Large Cap Blend	2,502
Vanguard Total Stock Market Index Fund	1992-04	Passive	US Equity Large Cap Blend	2,204
Vanguard Total Bond Market ETF	2007-04	Passive	US Fixed Income	2,202

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



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



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Data in USD as at: Jan 2020

