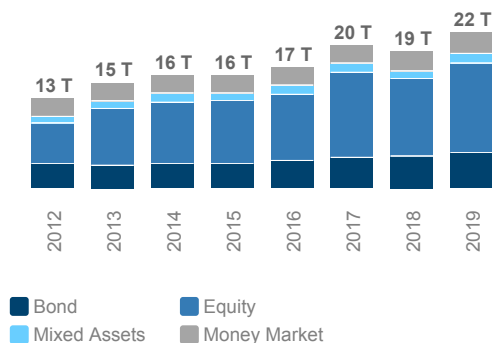


FundFlash Monthly Snapshot of US Trends



Assets by investment type (\$T)



Jul 2019 net sales of long term funds

\$22.2 B

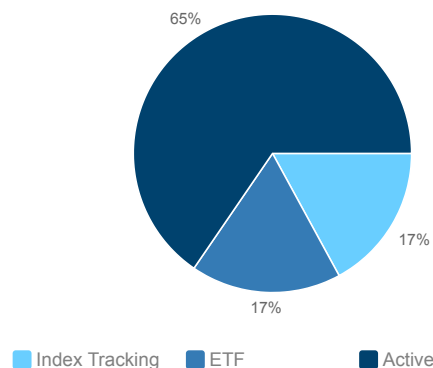
Jun 2019 net sales of long term funds

\$44.9 B

Asset Growth month on month

+0.68%

Asset split by strategy



July in brief

Seasonally light trading kept volatility down in July as investors weighed the generally dovish tone by the Fed and a tariff truce between the U.S. and China against a hesitant global economy. The S&P 500 was up modestly in July at +1.4% and stands at +20.2% year-to-date. In bond markets, the ten-year Treasury yield briefly dipped below 2.00% near the July Fourth holiday. The Bloomberg Barclays U.S. Aggregate Bond Index was up 0.2% in June and 6.2% this year.

Despite the mild month in equities (the S&P 500 had only one day where prices swung more than 1%) investors continued to bleed out their active equity funds (both mutual funds and ETFs), which saw \$33.9 billion of outflows in July, up slightly from \$29.9 billion of outflows in June. Meanwhile, inflows to active bond products jumped to \$32.9 billion in July from \$14.1 billion in June, and investors hoarded \$73.1 billion in money market funds on top of the previous two month's massive inflows of \$135.0 billion.

Net sales of index-tracking mutual funds and ETFs slid to \$26.3 billion from \$63.6 billion in June.

Vanguard nudged out State Street as the top-selling complex in July with estimated net sales of \$14.7 billion vs \$10.3 billion; Schwab, PIMCO, and Lord Abbett rounded out the rest. Actively managed bond funds from PIMCO and Vanguard placed in the top ten best-selling products in July and five of the top ten were passive equity products.

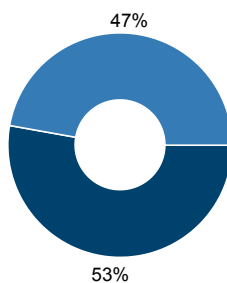
Doves Get Their Way - For Now

Citing concerns about the global economy and low inflation, the Fed made a widely-expected 25 basis-point rate cut - the first in over a decade - that pleased traders, although some participants had held out hope for a larger reduction. As well, Fed Chairman Jerome Powell described the move as a "mid-cycle adjustment," which disappointed investors who expected that this would instead kick off a series of cuts. Given the ample supply of good economic news lately in the U.S. (consumer confidence up, retail sales on the rebound, stronger-than-expected jobs data), there doesn't seem to be a lot of justification for aggressive Fed action.

Looking ahead

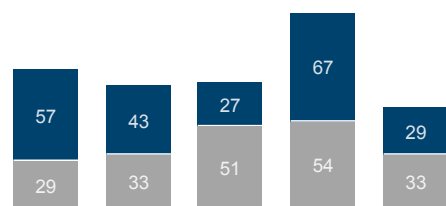
Picking up where the Fed left off, the greater threat to the U.S. economy is likely to come from an external source. In July, returns of non-U.S. bonds and stocks were generally negative as greater uncertainty clouded the views in Europe and Asia. ECB President Draghi kept rates firm in July but was candid about acting to boost the Eurozone economy when needed and the possibility for a "no deal" Brexit was certain to rise with the election of hardline proponent Boris Johnson to Prime Minister. Key economic data in China pointed down, as retail sales slowed to their lowest rate in over a decade and industrial output growth fell to a 17-year low.

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	32.9 B	6.1 B	7.1 B
Commodity	0.2 B	0.0 B	2.3 B
Equity	-33.9 B	0.1 B	10.5 B
Mixed Assets	-3.1 B	0.1 B	-0.0 B
Other	-0.1 B	0.0 B	0.1 B
Sum	-3.9 B	6.3 B	19.9 B
Money Market	73.1 B		

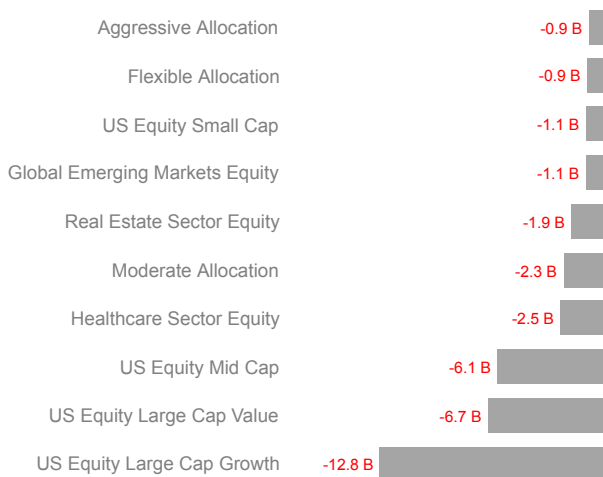
Top selling groups - Latest month (\$bn)

Master Group	Assets	Net Sales
Vanguard	4,944.3 B	14.7 B
State Street	690.9 B	10.3 B
Charles Schwab	251.2 B	3.6 B
PIMCO	378.2 B	2.5 B
Lord Abbett	148.7 B	1.8 B
TIAA	235.9 B	1.5 B
Morgan Stanley	51.8 B	1.5 B

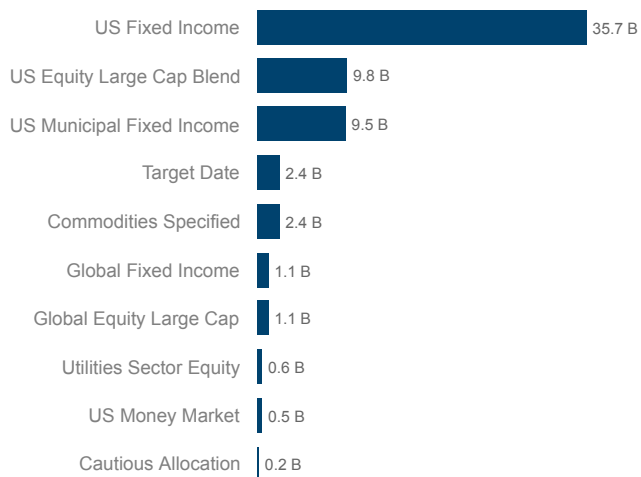
Top 10 selling funds - Latest month (\$m)

Fund Name	Launch Date	Strategy	Morningstar Global Category	Net Sales
SPDR S&P 500 ETF Trust	1993-01	Passive	US Equity Large Cap Blend	5,520
Vanguard Total Bond Market II Index Fund	2009-01	Passive	US Fixed Income	3,130
iShares Core S&P 500 ETF	2000-05	Passive	US Equity Large Cap Blend	3,118
Vanguard S&P 500 ETF	2010-09	Passive	US Equity Large Cap Blend	2,390
Fidelity 500 Index Fund	1988-02	Passive	US Equity Large Cap Blend	2,004
PIMCO Income Fund	2007-03	Active	US Fixed Income	2,001
Vanguard Institutional Intermediate-Term Bond Fund	2015-06	Active	US Fixed Income	1,902
iShares iBoxx \$ High Yield Corporate Bond ETF	2007-04	Passive	US Fixed Income	1,662
iShares Edge MSCI Minimum Volatility USA ETF	2011-10	Passive	US Equity Large Cap Blend	1,530
Vanguard Total Bond Market Index Fund	1986-12	Passive	US Fixed Income	1,492

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



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



Author: Jeff.Tjornehoj@broadridge.com

For more information please contact laura.cohen@broadridge.com

Data in USD as at: Jul 2019

