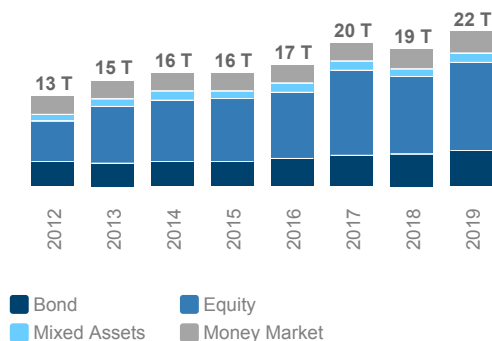


FundFlash Monthly Snapshot of US Trends



Assets by investment type (\$T)



Jun 2019 net sales of long term funds

\$44.8 B

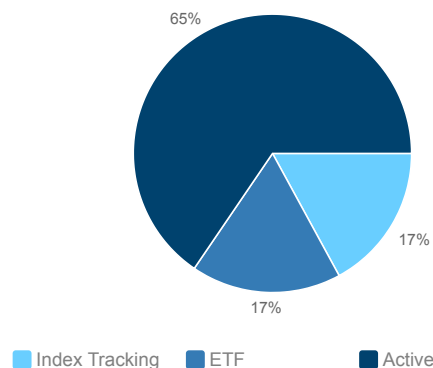
May 2019 net sales of long term funds

-\$22.6 B

Asset Growth month on month

+5.07%

Asset split by strategy



June in brief

- Market setbacks in April and May gave way to a strong rebound in June that sent large-cap benchmarks to all-time highs. Recent data that suggested a slowing economy prompted Fed Chairman Powell to remark that the Fed "will act as appropriate to sustain the expansion"—read 'might do a rate cut'—which was just what the market needed to light the fuse. In addition, energy stocks rallied on a spike in crude oil prices following military actions in the critical Strait of Hormuz that threatened world crude supplies. Ten-year Treasury yields dove to 2.00% to their lowest level since November 2016. The Bloomberg Barclays U.S. Aggregate Bond Index was up 1.3% in June and 6.1% this year.

- In spite of a solid rally in equities, investors stayed focused on geopolitical risks. Active equity funds (both mutual funds and ETFs) saw \$29.9 billion of outflows in June, compared to \$16.8 billion of outflows in May. Inflows to active bond products declined a bit from \$15.7 billion in May to \$14.1 billion, while investors hoarded \$44.6 billion in money market funds on top of the previous month's massive inflow of \$90.5 billion.

- Net sales of index-tracking products of all types made a sharp reversal as investors added a net \$63.6 billion to them after pulling \$18.2 billion the previous month.

- Sales of index-tracking ETFs rebounded from May's outflows and produced the widest inflow differential between equity and bond ETFs (+\$11.2 billion) since December 2018 as authorized participants jumped on the equity bandwagon.

- Vanguard barely held off BlackRock to claim its place as the top-selling complex in June with estimated net sales of \$28.2 billion vs \$25.0 billion; State Street, PIMCO, and Schwab rounded out the rest. No actively managed funds could break into the top ten best-selling products in June, although SPDR Gold Shares placed tenth and we haven't had a commodity fund rank that high in quite some time.

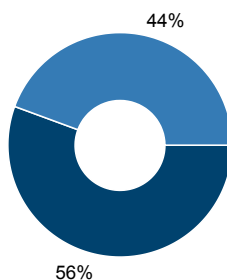
Lions and Tigers—But No Bears

The first half of 2019 is in the books and investors have to be impressed by the speed with which markets reversed course from the end of 2018. Amid the very real effects of trade tensions, rising tariffs, slowing corporate earnings, and a potential EU secession, the Fed's pivot toward a less hawkish policy has made all the difference. After three years of tightening that included nine rate hikes, the prospects for a looser Fed has unleashed Keynes' "animal spirits," erased the effects of the worst December performance since the Great Depression, and raised expectations for further rate cuts in the months ahead.

Looking ahead

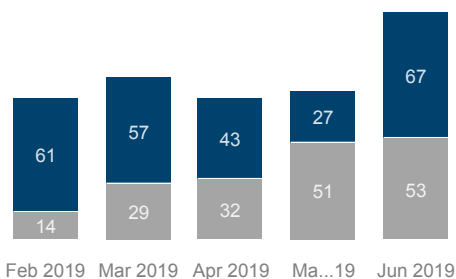
Rate cuts are expected when the economic engine needs a bit of priming. Or when, as John Williams, the president of the Federal Reserve Bank of New York said a few weeks ago, "It's better to take preventative measures than to wait for disaster to unfold." From where this potential disaster will emerge is anyone's guess, but spill-over effects from antagonistic trade policies seems like a reasonable place to start.

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	14.1 B	4.6 B	24.0 B
Commodity	0.2 B	0.0 B	3.0 B
Equity	-29.9 B	15.7 B	16.1 B
Mixed Assets	-3.2 B	0.4 B	-0.0 B
Other	-0.0 B	0.0 B	-0.1 B
Sum	-18.8 B	20.7 B	43.0 B
Money Market	44.6 B		

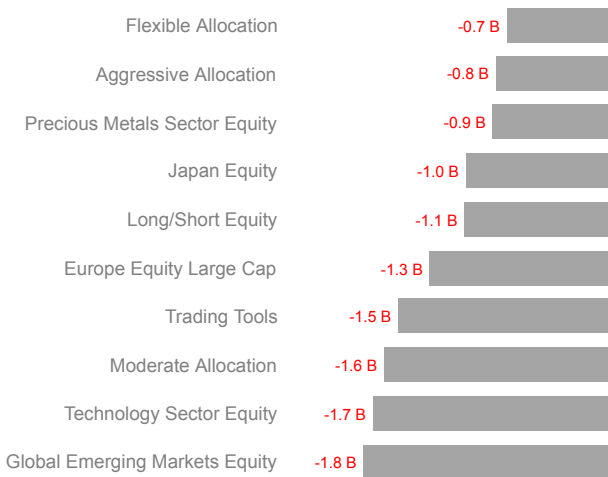
Top selling groups - Latest month (\$bn)

Master Group	Assets	Net Sales
Vanguard	4,896.8 B	28.2 B
BlackRock	1,830.5 B	25.0 B
State Street	673.4 B	9.9 B
PIMCO	374.3 B	2.2 B
Charles Schwab	246.0 B	1.7 B
TIAA	232.9 B	1.7 B
Morgan Stanley	50.3 B	1.1 B

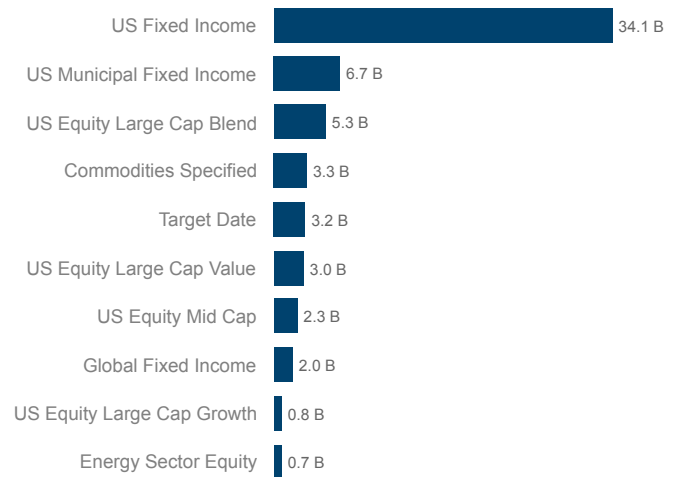
Top 10 selling funds - Latest month (\$m)

Fund Name	Launch Date	Strategy	Morningstar Global Category	Net Sales
Vanguard Total International Stock Index Fund	1996-04	Passive	Global Equity Large Cap	6,574
iShares Russell 1000 Value ETF	2000-05	Passive	US Equity Large Cap Value	4,740
Vanguard Total Stock Market Index Fund	1992-04	Passive	US Equity Large Cap Blend	4,357
iShares iBoxx \$ Inv Grade Corporate Bond ETF	2002-07	Passive	US Fixed Income	4,242
iShares Short Treasury Bond ETF	2007-01	Passive	US Fixed Income	4,158
iShares Russell 1000 Growth ETF	2000-05	Passive	US Equity Large Cap Growth	3,842
Vanguard 500 Index Fund	1976-08	Passive	US Equity Large Cap Blend	3,119
iShares iBoxx \$ High Yield Corporate Bond ETF	2007-04	Passive	US Fixed Income	2,626
iShares 7-10 Year Treasury Bond ETF	2002-07	Passive	US Fixed Income	2,325
SPDR Gold Shares	2004-11	Passive	Commodities Specified	2,243

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



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



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Data in USD as at: Jun 2019

