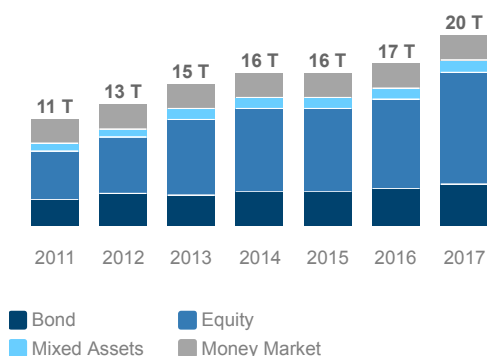


FundFlash Monthly Snapshot of US Trends



Assets by investment type (\$T)



Nov 2017 net sales of long term funds

\$41.1 B

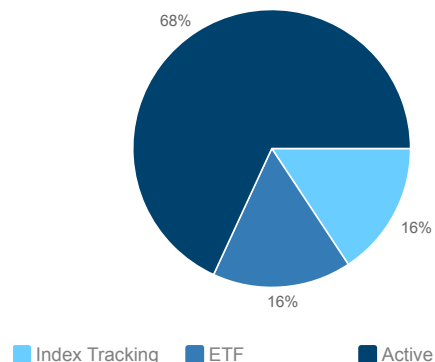
Oct 2017 net sales of long term funds

\$74.8 B

Asset Growth month on month

+1.76%

Asset split by strategy



November in brief

• Flows activity in long-term actively managed funds changed direction in November, as investors pulled roughly \$4.1 billion from them. Flows into active bond funds (+\$13.2 billion) declined to an eight-month low and the \$16.7 billion pulled from active equity funds brought their year-to-date total to negative \$175 billion. Mixed asset products did not see their outflow streak halted as investors pulled another \$1.5 billion from them. And as November is historically one of the top months for inflows to money market funds, this month's activity did not disappoint: investors plowed stacks of cash (+\$57.7 billion) into money market funds.

• For the 13th consecutive month, equity benchmarks hit all-time highs as the S&P 500 index recorded a gain of 3.1% and the Dow was up 4.2%. The tech-heavy Nasdaq composite lagged a bit (+2.2%) but kept a heavy lead over the S&P 500 year-to-date. Volatility remained muted.

• Net sales of index-tracking products (including mutual funds and ETFs) dropped to \$12.7 billion from October's \$21.3 billion as net sales of bond and equity products declined in tandem.

• Net sales of all ETF products (including actively managed ones) plummeted \$16 billion to \$34.2 billion as investors backed off the gas pedal, though it's nothing to be concerned about: the monthly average inflow this year is about \$33.3 billion.

• Vanguard had inflows of \$20.4 billion across all products and was followed by BlackRock, Schwab, PIMCO, and Fidelity. Vanguard 500 Index Fund was the month's top seller (+\$3.3 billion) as passive equity funds dominated; the only active fund in the top ten was PIMCO Income, +\$2.5 billion.

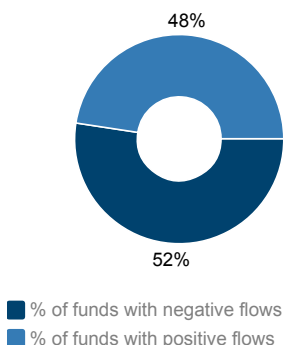
Tax Legislation Passes

Despite the market's skepticism at the start of the month that Congress could author a tax reform bill that would pass both houses (and meet the President's "must-haves"), Republican leaders worked overtime and found the votes necessary to ensure passage (however, the two current versions of the legislation must now go through the reconciliation process). Investors cheered lower corporate tax rates, although the reward will not fall to all companies equally: companies that earn significant overseas profits (such as within the tech sector) aren't likely to see substantial benefit. Outside the U.S., stock markets also moved higher but by lesser amounts: the regionally diverse MSCI EAFE index gained 1.1% and MSCI Emerging Markets index rose 0.2%. In bond markets, investors showed some concern that lower taxes could serve to hasten rate increases by the Fed and in response they pushed the short end of the yield curve higher, flattening the curve further. Internationally, domestic bond indices tended to decline while ex-U.S. benchmarks gained.

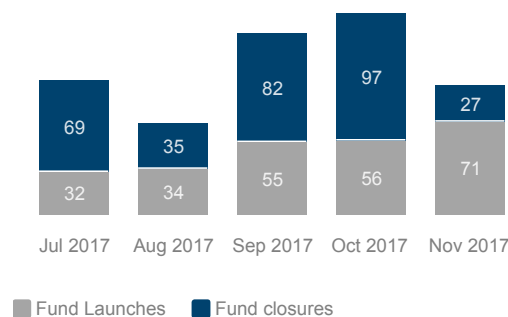
Looking ahead

Besides tax reform legislation, not much has changed that would affect the near-term outlook for investors. Recession risks are quite low, inflation figures are up only slightly, and the Fed is moving things along gently and with fair warning. The eroding slack in the labor market could push wages unexpectedly higher, triggering a jump in inflation, but until that moment comes to pass expect more of the status quo.

Flow sentiment



Fund launches & closures



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

Fund Investment Type	Active	Index Tracking	ETF
Bond	13.2 B	6.6 B	5.7 B
Commodity	0.0 B	0.1 B	-0.3 B
Equity	-16.7 B	6.5 B	29.1 B
Mixed Assets	-1.5 B	-0.3 B	0.0 B
Other	-0.2 B	-0.2 B	-0.3 B
Sum	-5.3 B	12.7 B	34.2 B
Money Market	57.7 B		

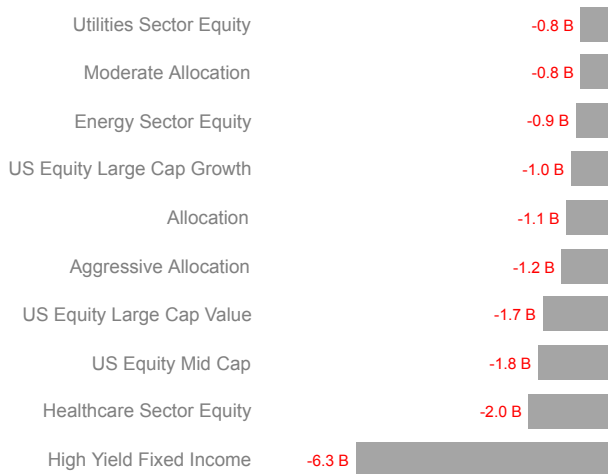
Top selling groups - Latest month (\$bn)

Master Group	Assets	Net Sales
Vanguard	4,267.2 B	20.4 B
BlackRock	1,572.4 B	17.0 B
Charles Schwab	179.2 B	2.6 B
PIMCO	343.4 B	2.6 B
Fidelity	1,468.1 B	1.9 B
Dimensional	414.4 B	1.8 B
T Rowe Price	594.2 B	1.8 B

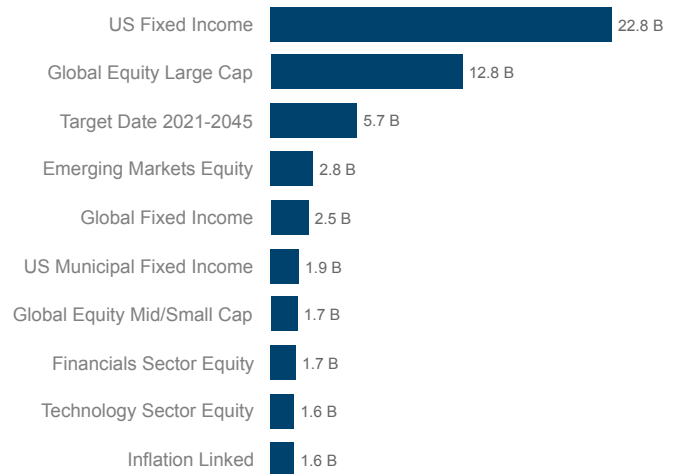
Top 10 selling funds - Latest month (\$m)

Fund Name	Launch Date	Strategy	Morningstar Global Category	Net Sales
Vanguard 500 Index Fund	1976-08	Passive	US Equity Large Cap Blend	3,283
Vanguard Total International Stock Index Fund	1996-04	Passive	Global Equity Large Cap	3,031
iShares Core S&P 500 ETF	2000-05	Passive	US Equity Large Cap Blend	2,767
PIMCO Income Fund	2007-03	Active	US Fixed Income	2,523
Vanguard Total Bond Market II Index Fund	2009-01	Passive	US Fixed Income	2,004
Vanguard Total Stock Market Index Fund	1992-04	Passive	US Equity Large Cap Blend	1,897
Select Sector Financial Select Sector SPDR Fund	1998-12	Passive	Financials Sector Equity	1,554
iShares Russell 2000 ETF	2000-05	Passive	US Equity Small Cap	1,547
Vanguard Total Bond Market Index Fund	1986-12	Passive	US Fixed Income	1,457
Vanguard S&P 500 ETF	2010-09	Passive	US Equity Large Cap Blend	1,434

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: Nov 2017

