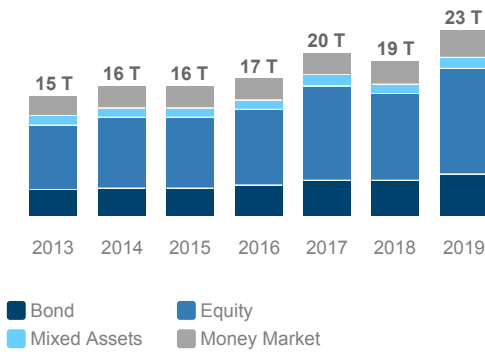


# FundFlash Monthly Snapshot of US Trends



Assets by investment type (\$T)



Nov 2019 net sales of long term funds

**\$44.3 B**

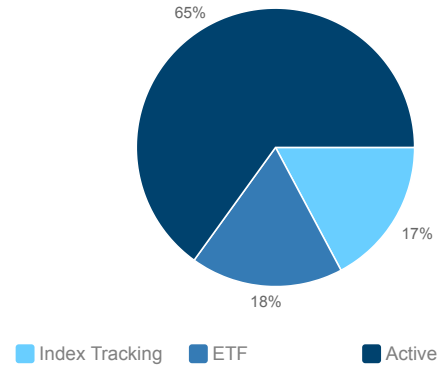
Oct 2019 net sales of long term funds

**\$27.1 B**

Asset Growth month on month

**+2.40%**

Asset split by strategy



## November in brief

- Amid signs that the U.S. and China would finally have a "phase one" trade deal in place, protestors in Hong Kong tested each side's political resolve, which included a late-month law in support of the protestors signed by President Trump that prompted China to promise "strong countermeasures" in response. Though stock markets finished the month on a down note, for the full month the DJIA was up 4.1% and the S&P 500 rose 3.6%. The Bloomberg Barclays U.S. Aggregate Bond Index declined less than 0.1%.

- Initially, the optimism that a trade deal would enable certain tariffs to be rolled back lifted stocks and sent benchmark 10-year Treasury yields up from 1.69% to as high as 1.94% before chaos on the streets of Hong Kong sent traders back to a 'safety first' mindset. But as the situation in Hong Kong tended to get worse near the end of the month most investors had already committed their trades, which saw equity funds reverse four months of outflows and report a net \$4.5 billion of inflows in November. Inflows to active bond products increased from \$23.2 billion in October to \$27.1 billion in November, while money market fund inflows contracted from \$77.2 billion to \$53.7 billion.

- Net sales of index-tracking mutual funds and ETFs increased in November, from \$39.0 billion to \$48.2 billion.

- BlackRock edged out Vanguard as the top-selling complex in November with estimated net sales of \$17.8 billion vs \$15.4 billion; Fidelity, JP Morgan, and State Street rounded out the rest. Passive funds again dominated the Top 10 best-selling funds list this month, though PGIM's actively-managed Total Return Bond Fund posted another month of solid inflows and landed at #7 on the list.

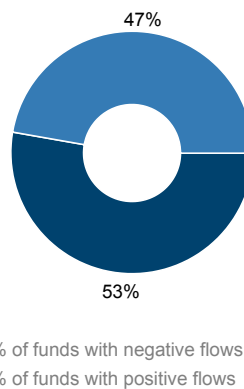
## Fed Sounds Like It's Done for a While

After cutting the target rate by 25 basis points at the end of October, Federal Reserve Chair Powell's testimony to Congress that the Fed was in "pause" mode, coupled with an unexpectedly supportive jobs report (of an increase of 128,000 new jobs in October), sent U.S. stocks to record levels before a late-month retreat. Flows into bond products remained strong in the hunt for yield despite signals that equities aren't losing their momentum anytime soon.

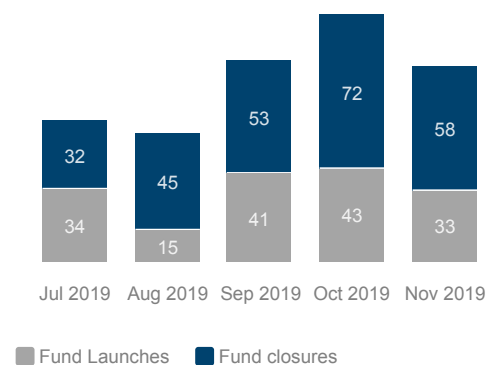
### Looking ahead

Looser monetary policy should, in theory, help the U.S. economy reflate and bring inflation closer to the Fed's 2% target. As stocks typically benefit from higher growth during inflationary periods, look for prices—and flows—to ratchet up during early-2020. In addition to stocks, commodities also tend to get priced higher, though retail investors usually miss the early upswing and join the party well into the later stages.

Flow sentiment



Fund launches & closures



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

Fund Investment Type	Active	Index Tracking	ETF
Bond	27.1 B	9.6 B	5.9 B
Commodity	-0.3 B	-0.0 B	-1.1 B
Equity	-29.2 B	-0.7 B	34.4 B
Mixed Assets	-1.3 B	0.1 B	-0.0 B
Other	-0.1 B	0.0 B	0.1 B
<b>Sum</b>	<b>-3.8 B</b>	<b>9.0 B</b>	<b>39.3 B</b>
Money Market	53.7 B		

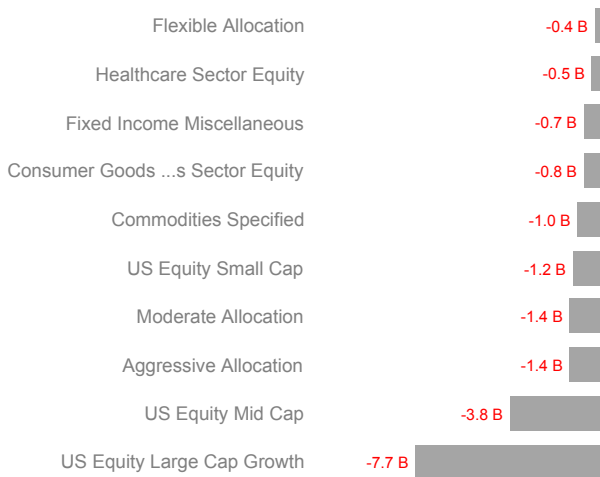
Top selling groups - Latest month (\$bn)

Master Group	Assets	Net Sales
BlackRock	1,945.0 B	17.8 B
Vanguard	5,202.9 B	15.4 B
Fidelity	1,762.8 B	5.8 B
JP Morgan AM	349.2 B	4.4 B
State Street	720.6 B	4.3 B
Sun Life / MFS	261.1 B	2.3 B
PIMCO	384.7 B	1.6 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	3,851
iShares Core MSCI EAFE ETF	2012-10	Passive	Global Equity Large Cap	2,687
Vanguard Total Bond Market II Index Fund	2009-01	Passive	US Fixed Income	2,555
Vanguard Total International Bond Index Fund	2013-05	Passive	Global Fixed Income	2,539
Vanguard S&P 500 ETF	2010-09	Passive	US Equity Large Cap Blend	1,872
Select Sector Financial Select Sector SPDR Fund	1998-12	Passive	Financials Sector Equity	1,583
PGIM Total Return Bond Fund	1995-01	Active	US Fixed Income	1,449
Fidelity SAI US Large Cap Index Fund	2016-02	Passive	US Equity Large Cap Blend	1,435
Invesco QQQ Trust	1999-03	Passive	US Equity Large Cap Growth	1,428
iShares MSCI Japan ETF	1996-03	Passive	Japan Equity	1,339

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



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



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Data in USD as at: Nov 2019

