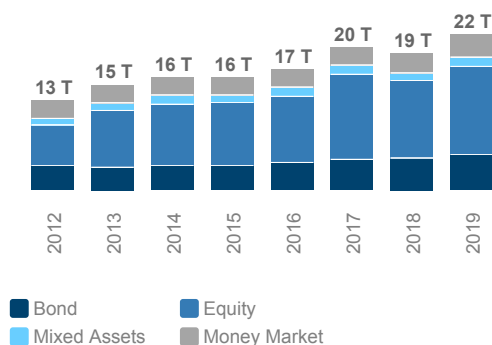


FundFlash Monthly Snapshot of US Trends



Assets by investment type (\$T)



Sep 2019 net sales of long term funds

\$35.6 B

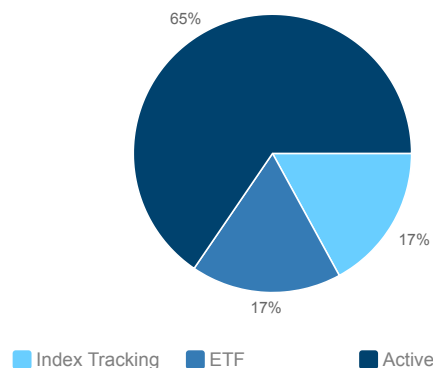
Aug 2019 net sales of long term funds

-\$18.1 B

Asset Growth month on month

+1.11%

Asset split by strategy



September in brief

- The ongoing trade dispute between the U.S. and China remained front-and-center throughout September and stocks initially rallied early in the month on news that the two sides would return to the negotiating table in early October. Beyond that, both sides offered a series of conciliatory gestures that further supported that sentiment. Major equity benchmarks posted solid gains, with the DJIA up 2.1% for the month and the S&P 500 up 1.9%. The Bloomberg Barclays U.S. Aggregate Bond Index was down 0.5%.

- An attack on Saudi oil facilities jolted investors mid-month, but traders kept their cool and ultimately held off hitting the panic button. In the wake of the attack, defensive sectors rallied and energy stocks shot up before tensions abated and valuations softened. None of that seemed to help active equity funds (both mutual funds and ETFs), which had outflows of \$29.2 billion in September. Inflows to active bond products declined from \$19.4 billion in August to \$16.2 billion in September, while money market funds continued to attract money with \$73.4 billion of inflows (they've taken in \$414 billion year-to-date).

- Net sales of index-tracking mutual funds and ETFs got back on track in September with inflows of \$52.2 billion after last month's \$5.0 outflow.

- Vanguard edged out BlackRock as the top-selling complex in September with estimated net sales of \$25.5 billion vs \$12.3 billion; State Street, Fidelity, and Lord Abbett rounded out the rest. Passive funds dominated the top-ten net sales list for the month, while Fidelity Series Investment Grade Bond Fund (+\$5.4 billion) was the only actively managed fund to make it. SPDR Gold Shares (GLD) placed 10th with inflows of \$2.1 billion.

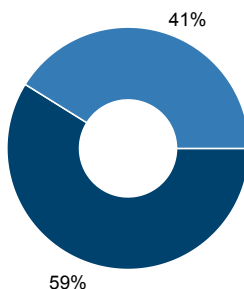
Can a Country Tariff Itself into Recession?

Emerging evidence of slowing in the manufacturing sector tempered enthusiasm for equities when the Institute for Supply Management's activity gauge moved into contraction territory for the first time since 2016 (spoiler alert: September's figure is the lowest since June 2009). Elsewhere, August payroll figures disappointed and personal spending rose just 0.1%—its slowest monthly gain since February. Trump's "easy to win" trade war looks to be taking casualties at home.

Looking ahead

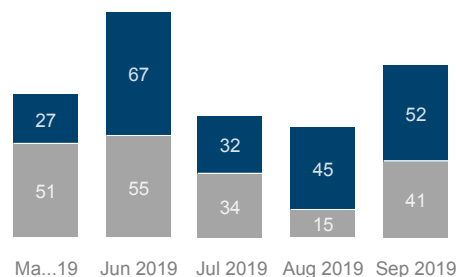
The Bureau of Economic Analysis' advance estimate of Q3 GDP growth was +1.9%. Although that was above the +1.6% forecasted by economists, it is below the +2.0% rate measured in Q2 and well below Q1's 3.1%. The 4-quarter moving average has now fallen to just +2.0%, which is below the long-term average of +2.3% since the Great Recession ended. A meaningful breakthrough in US-China talks could lead a rebound, but that's a tall order.

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	16.2 B	9.7 B	11.1 B
Commodity	-0.3 B	-0.0 B	2.9 B
Equity	-29.2 B	6.5 B	21.8 B
Mixed Assets	-3.4 B	0.1 B	-0.1 B
Other	0.0 B	0.0 B	0.2 B
Sum	-16.6 B	16.3 B	35.9 B
Money Market	73.4 B		

Top selling groups - Latest month (\$bn)

Master Group	Assets	Net Sales
Vanguard	4,976.1 B	25.5 B
BlackRock	1,843.7 B	12.3 B
State Street	687.1 B	7.0 B
Fidelity	1,664.3 B	2.8 B
Lord Abbett	152.4 B	1.9 B
Charles Schwab	255.5 B	1.6 B
Prudential Financial	118.9 B	1.4 B

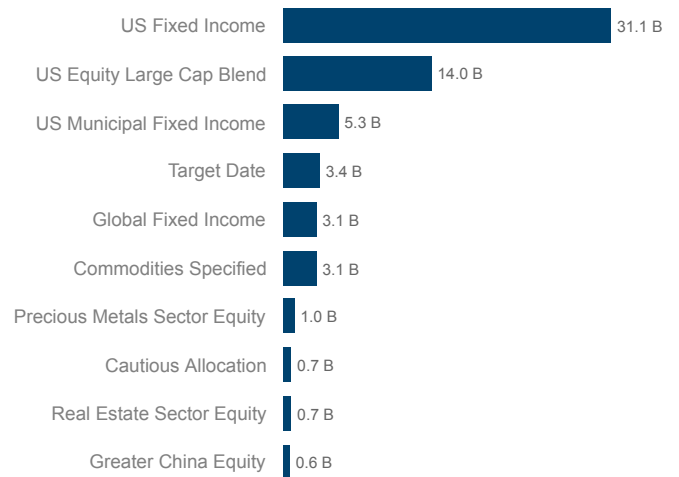
Top 10 selling funds - Latest month (\$m)

Fund Name	Launch Date	Strategy	Morningstar Global Category	Net Sales
SPDR S&P 500 ETF Trust	1993-01	Passive	US Equity Large Cap Blend	6,310
Fidelity Series Investment Grade Bond Fund	2008-10	Active	US Fixed Income	5,422
Vanguard Total Bond Market II Index Fund	2009-01	Passive	US Fixed Income	5,093
Vanguard Total Stock Market ETF	2001-05	Passive	US Equity Large Cap Blend	2,815
Fidelity Series Inflation-Protected Bond Index Fund	2009-09	Passive	US Fixed Income	2,759
iShares Russell 2000 ETF	2000-05	Passive	US Equity Small Cap	2,672
Vanguard Total International Bond ETF	2013-05	Passive	Global Fixed Income	2,604
iShares 20+ Year Treasury Bond ETF	2002-07	Passive	US Fixed Income	2,160
Vanguard Total International Stock Index Fund	1996-04	Passive	Global Equity Large Cap	2,133
SPDR Gold Shares	2004-11	Passive	Commodities Specified	2,063

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



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



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Data in USD as at: Sep 2019

