

# Global Market Intelligence

FundFlash EMEA

July 2020

FundFlash provides a summary of the regional trends and developments in the funds market over the previous month.

The report is built using the Global Market Intelligence (GMI) funds module which tracks \$50trn in global funds assets with unique views of distributor and internationally sold business.

GMI Funds sits alongside our Institutional module and together is relied on by over 100 asset managers as their source for global asset management market intelligence.

### THE MONTH IN REVIEW

Another strong month as mega outflows in March become a distant memory. However, as Covid cases rise once more in Europe, there could yet be another twist in this story.

Bonds and thematic equities did particularly well for flows, with active also continuing its resurgence as an investment style in demand.

### DISTRIBUTION

The big European markets were all strong generators of flows before the summer holidays properly kicked in. Switzerland and the UK were both particularly strong, the latter shaking off any Brexit concerns – so far.

### PRODUCT

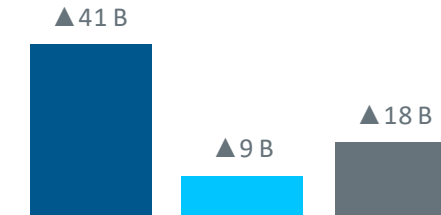
Thematic equity is *the* product story in 2020, ideally combined with ESG to create this year's killer offering. The mix of high-conviction and long-term investing with strong marketing and storytelling is winning big.

### COMPETITION

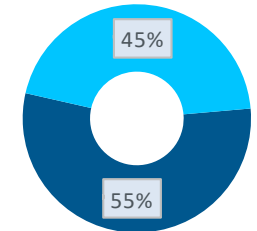
The top-3 groups for year-to-date flows were also the top 3 for new business in July. BlackRock, PIMCO and JPMorgan all look set to keep their positions all year, barring some significant upset.

### July OVERVIEW

#### ACTIVE VS PASSIVE FLOW, \$B

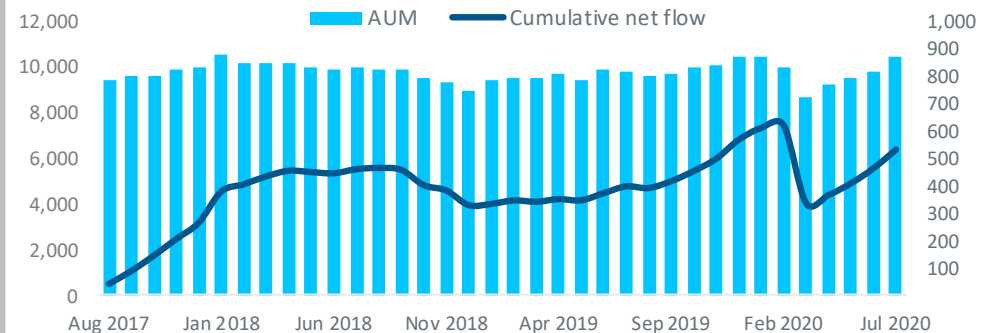


#### FLOW SENTIMENT, %

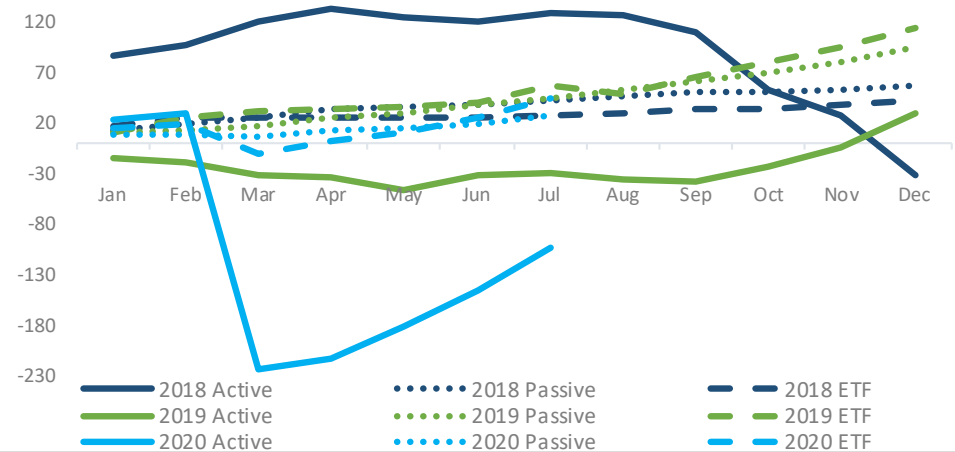


■ Active mutual funds   ■ Passive mutual funds   ■ % of # funds with negative flows  
 ■ All ETFs   ■ % of # funds with positive flows

#### 3 YR FUND INDUSTRY ASSET & FLOW MOMENTUM, \$B



#### 3 YR CUMULATIVE NET FLOW BY STYLE, \$B

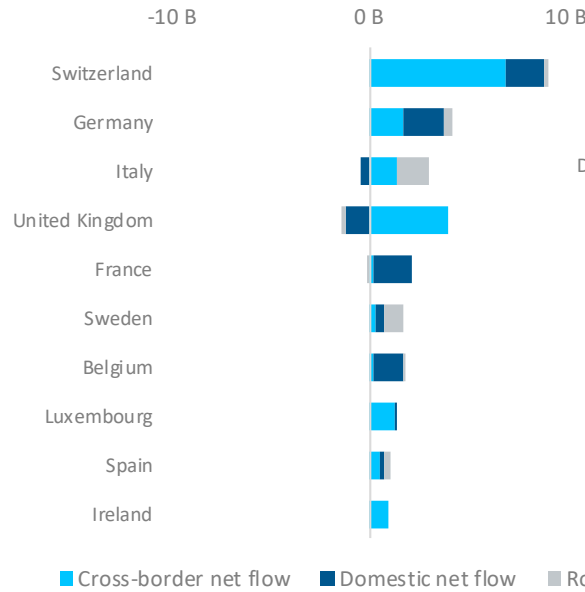


**DISTRIBUTION**

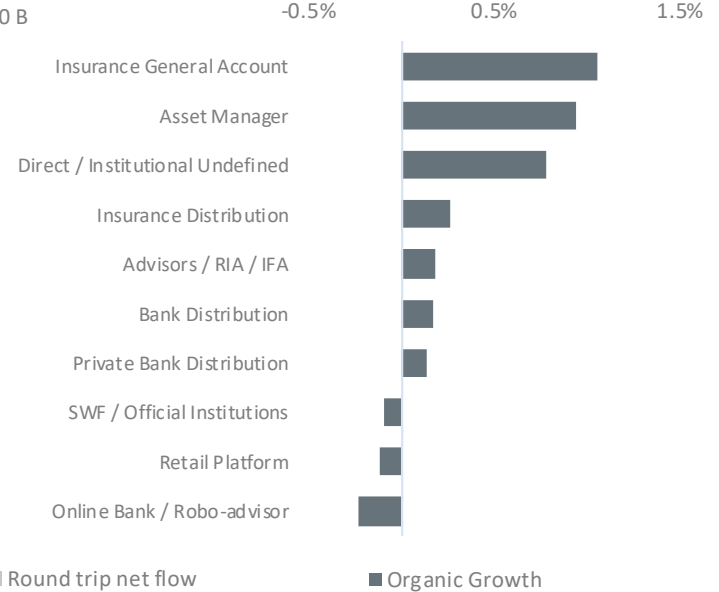
The largest markets in Europe were all adding net new money to funds in July. All of these markets have seen increased cash savings in 2020, and, with yields so low, this money will need to be invested for any real return.

Switzerland was well ahead of the others, but the UK was also home to strong cross-border flows, despite – or perhaps because of – looming Brexit deadlines.

**LARGEST MARKET NET FLOW, \$B**



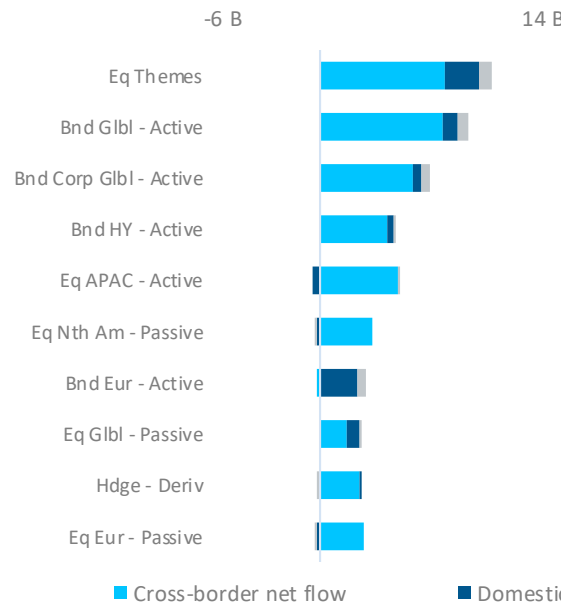
**CROSS-BORDER CHANNEL, GROWTH %**



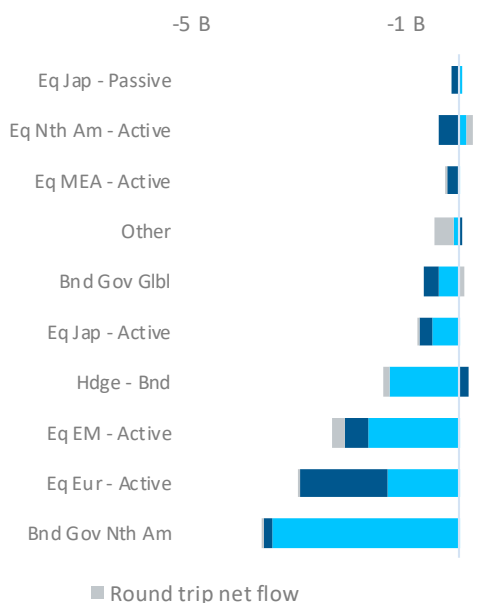
**PRODUCT**

At asset-class level bonds were most in demand, but at sector level it was thematic equities which really shone. Strong marketing and good stories allied with a demand for long-term, high-conviction active investing are generating serious interest. Many of these funds also overlap with the other large growth driver of ESG investing. Meanwhile active managers are seeing large outflows in EM and Europe equity, creating significant flow rotations in many active businesses.

**TOP-10 PRODUCT NET FLOW, \$B**



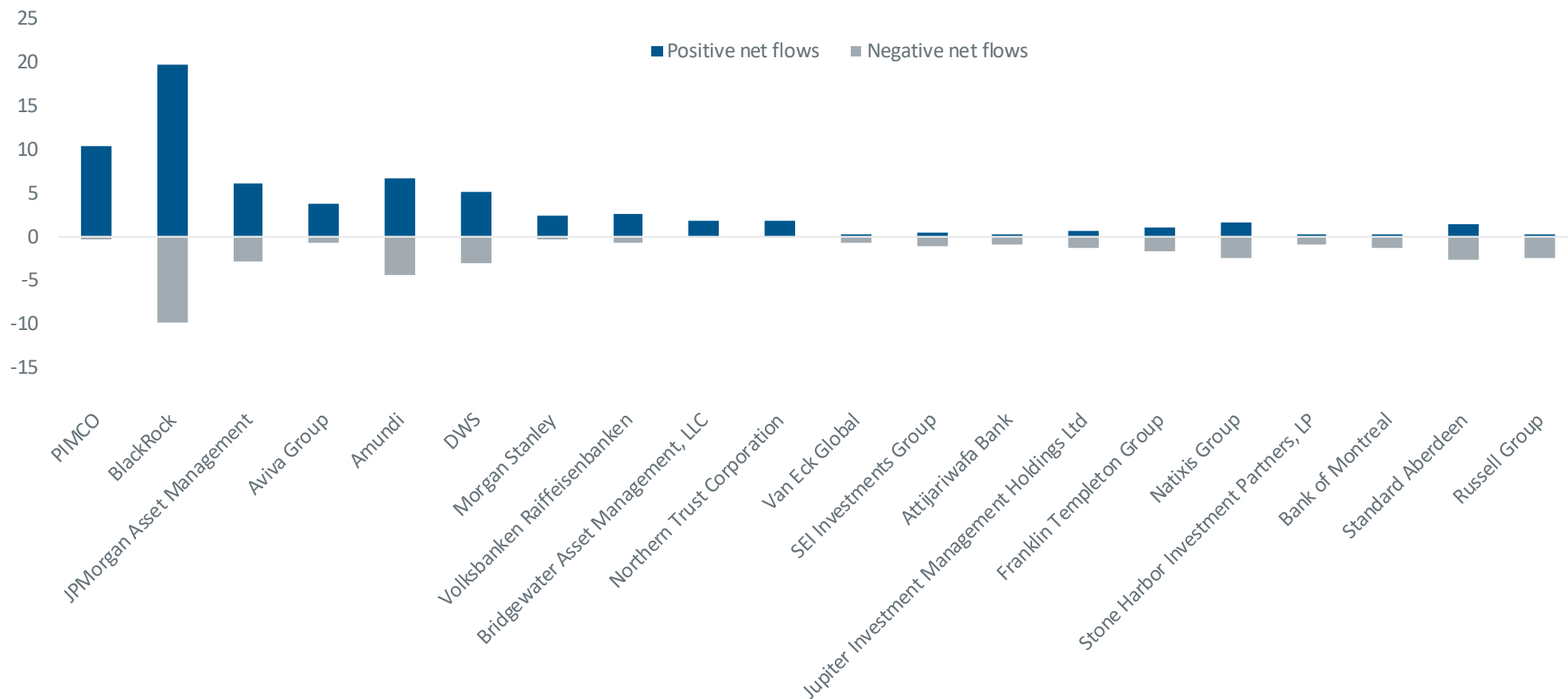
**BOTTOM-10 PRODUCT NET FLOW, \$B**



## COMPETITION

- PIMCO may have had a tough March when Covid panic struck, but that is now history. Flows in July allowed PIMCO back into the black for the year – not bad going when outflows in March exceeded \$25bn.
- BlackRock is comfortably in first place for year-to-date flows, but PIMCO pipped it to first place for sales in July itself as BlackRock’s huge inflows were offset by some weighty redemptions.
- JPMorgan is third for the month and year, with a wide range of winners – more than 15 of its funds had net sales over €100m (\$118m) in July.

**POSITIVE vs NEGATIVE NET FLOW BY GROUP, \$B (TOP AND BOTTOM 10)**



## MONTHLY NET FLOW LEADERS

	Fund name	Group	Sector	Fund market	Launch date	AUM, \$m	Net flow, \$m	Organic growth
Top active	1 PIMCO GIS Global Investment Grade Credit	PIMCO	Bnd Gbl Corp	International	Jul 2003	27,206	2,175	9%
	2 PIMCO GIS Income Fund	PIMCO	Bnd Gbl Curr	International	Nov 2012	67,604	2,087	3%
	3 Aviva Investors - Global Aggregate Bond Fund	Aviva Investors	Bnd Gbl Curr	International	Aug 2009	2,292	1,911	569%
	4 Bridgewater Pure Alpha Strategy 18% Volatility	Bridgewater	Derivatives	International	Dec 1991	31,441	1,801	6%
	5 PIMCO GIS Diversified Income Fund	PIMCO	Bnd Gbl Curr	International	Jun 2005	15,782	1,022	7%
	6 UBS (Lux) Key Selection Sicav - Digital Transformation Themes (USD)	UBS	Eq IT	International	Apr 2020	1,021	1,003	16723%
Top passive	1 Vanguard Investment Series Plc - Vanguard Global Bond Index Fund	Vanguard	Bnd Gbl Curr	International	Mar 2008	19,549	1,372	8%
	2 Northern Trust World Custom ESG Equity Index	Northern Trust	Eq Global	International	Dec 2013	6,598	1,029	19%
	3 State Street Global Advisors Lux SICAV - Global Aggregate Bond Index Fund	State Street	Bnd Gbl Curr	International	Jun 2013	4,132	587	17%
	4 HSBC Global Aggregate Bond Index Fund	HSBC	Bnd Gbl Curr	International	Nov 2018	5,910	485	9%
	5 BlackRock Global Index Funds - BlackRock Emerging Markets Government Bond Index Fund	BlackRock	Bnd Em Mkt	International	May 2013	3,415	481	17%
	6 BlackRock ACS World ESG Equity Tracker	BlackRock	Eq Global	United Kingdom	Jul 2019	2,476	399	20%
Top ETF	1 UBS ETF - MSCI EMU UCITS ETF	UBS	Eq Euroland	International	Sep 2002	3,981	1,829	88%
	2 Xtrackers MSCI USA UCITS ETF	DWS	Eq Nth Am	International	May 2014	7,057	1,651	32%
	3 iShares Core Euro Corporate Bond UCITS ETF	BlackRock	Bnd Eur Corp IG	International	Mar 2009	18,320	827	5%
	4 Invesco Physical Gold ETC	Invesco	Commod	International	Jun 2009	13,459	726	6%
	5 UBS ETF - MSCI Canada UCITS ETF	UBS	Eq Canada	International	Sep 2009	1,890	724	66%
	6 iShares Physical Gold ETC	BlackRock	Commod	International	Apr 2011	15,008	611	5%
Top launches	Fund name	Group	Sector	Fund market	Style	AUM, \$m		
	1 ALLIS Vontobel Global Allocation	Intesa SP	Allocation	Italy	Active	461		
	2 UBS Asian Bonds Series 6	UBS	Bnd Targ Mat	International	Active	349		
	3 Visionfund - US Equity Large Cap Core	Edmond de Rothschild	Eq Nth Am	International	Active	279		
	4 Eurizon Next - Strategia Obbligazionaria	Intesa SP	Bnd Gbl Curr	Italy	Active	202		
	5 Vontobel Fund II - Duff & Phelps Global Listed Infrastructure	Vontobel	Eq Infrastr	International	Active	181		
6 BNP Paribas A Fund - Global Fixed Rate Portfolio 2024	BNP Paribas	Bnd Targ Mat	International	Active	153			

# THIS REPORT WAS BUILT WITH GLOBAL MARKET INTELLIGENCE

## GMI FUNDS

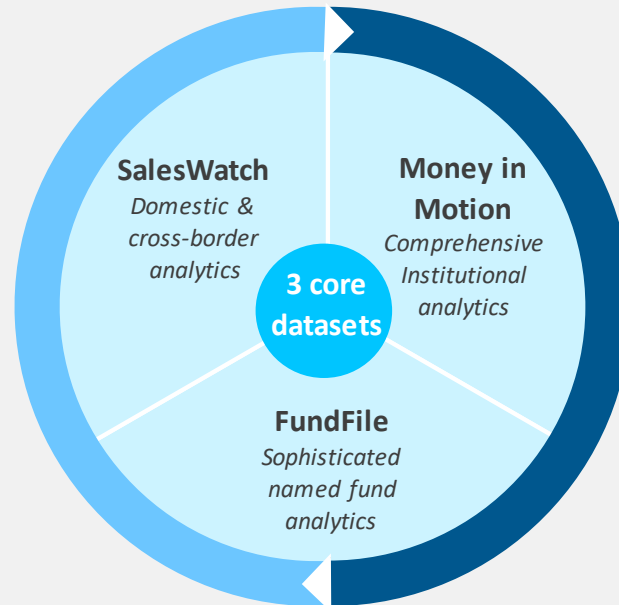
Detailed Domestic and Cross-Border Fund Market Intelligence across retail & institutional channels

- Fund assets, flows and launches by product and region
- 88,000 open ended-funds globally
- Fund benchmarks, rankings and named competitive positioning
- Advanced fund and competition analytics
- Cross-border and distributor analytics

Americas

EMEA

APAC



## GMI INSTITUTIONAL

Detailed Global Institutional Market Intelligence across all vehicles

- Institutional assets and flows by product, region and client type
- Separate Account, Private Fund, Mutual Fund, CIT and ETF Analysis
- Institutional Benchmarks and rankings
- True Negotiated Fee analysis
- Named consultant analysis

Americas

EMEA

APAC

Comprehensive Analytics

POWERING

Meaningful Insight

GLOBALLY

80K portfolios

\$76T tracked

1,600 fund selectors and asset owners interviewed annually

20+ Insight publications