 **Global Market
Intelligence**

FundFlash EMEA

May 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

Active managers must have been dancing for joy in May, or certainly will be when they see the flows data. Actively managed funds enjoyed much steeper sales growth than passives as investors loaded up on bonds and thematic equities, both of which are more active than passive in composition. Whether this is the much-hoped-for reversion to active in challenging times, or just a function of those sectors being in demand, will only be known in the coming months.

DISTRIBUTION

The Netherlands was left out in the cold as the one country with negative flows, as all other major markets were making hay in the May sunshine. Cross-border funds were the key driver of flows in most markets.

PRODUCT

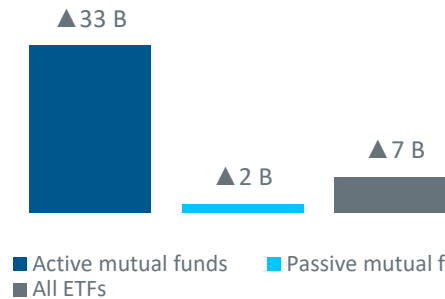
Fixed income was in demand once more with high yield and corporate of particular interest. For the second month in a row, thematic equity with concentrated selective portfolios was also a focus for inflows.

COMPETITION

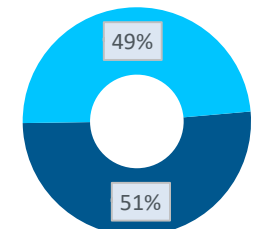
BlackRock, PIMCO and JPMorgan made up the top-3 groups in May as they recouped March's losses. If money market were included, JPMorgan would leapfrog to first place.

May OVERVIEW

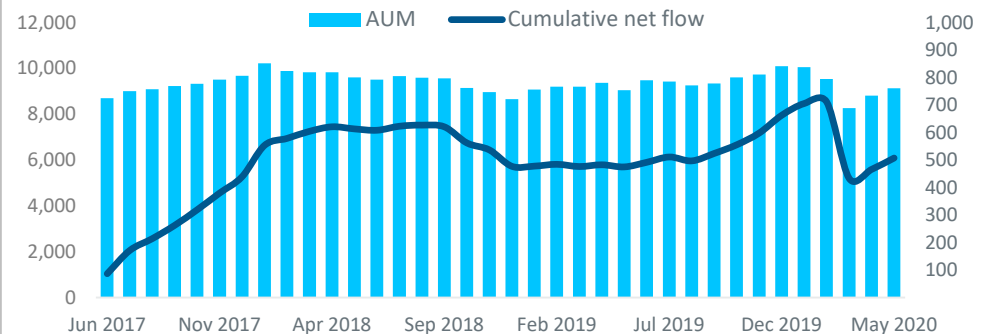
ACTIVE VS PASSIVE FLOW, \$B



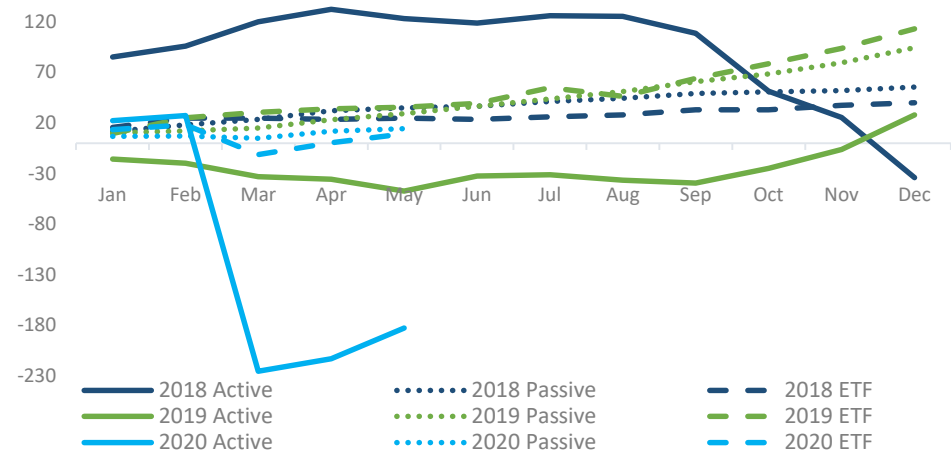
FLOW SENTIMENT, %



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



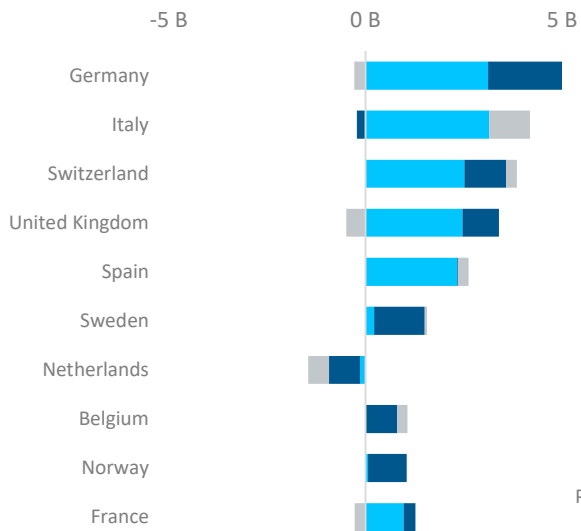
3 YR CUMULATIVE NET FLOW BY STYLE, \$B



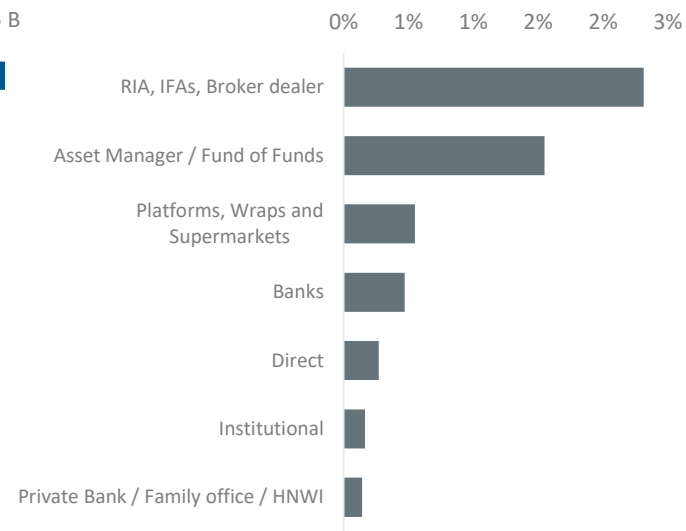
DISTRIBUTION

- The majority of large European markets experienced inflows, with cross-border the driver in most countries.
- Spain saw a big snapback from April's outflows to large inflows in May, which leaves just the Netherlands out in the cold, in outflow.
- The big four markets were at the top with roughly similar cross-border flows, and only separated by the round-trip and domestic activity.

LARGEST MARKET NET FLOW, \$B



CROSS-BORDER CHANNEL, GROWTH %

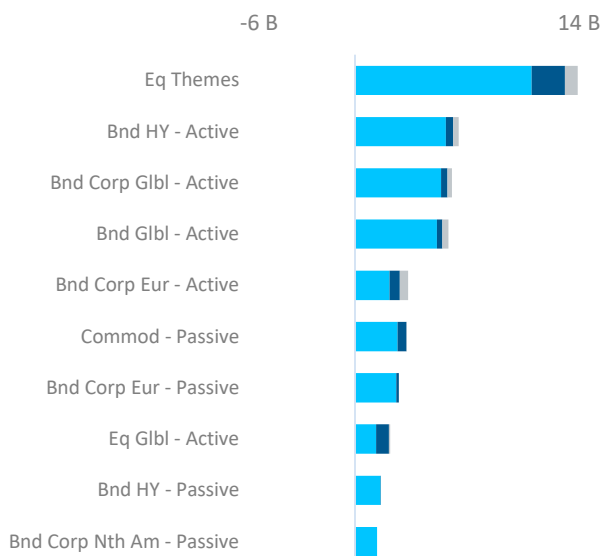


■ Cross-border net flow ■ Domestic net flow ■ Round trip net flow ■ Organic growth

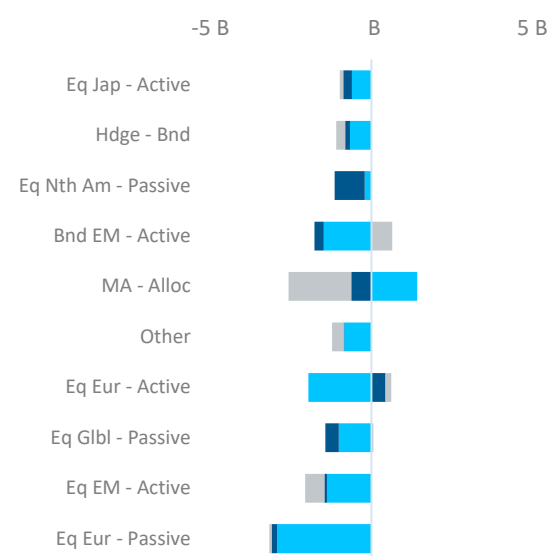
PRODUCT

- There was a general desire for bonds in May, with high yield and corporate doing particularly well as investors chased better yields.
- Equity was generally out of favour, with passive especially negative as fund buyers reweighted portfolios following market rises.
- Thematic equity was once more the standout equity sector, recording an exceptionally good April and May as these more selective and concentrated portfolios met with high demand.

TOP-10 PRODUCT NET FLOW, \$B



BOTTOM-10 PRODUCT NET FLOW, \$B

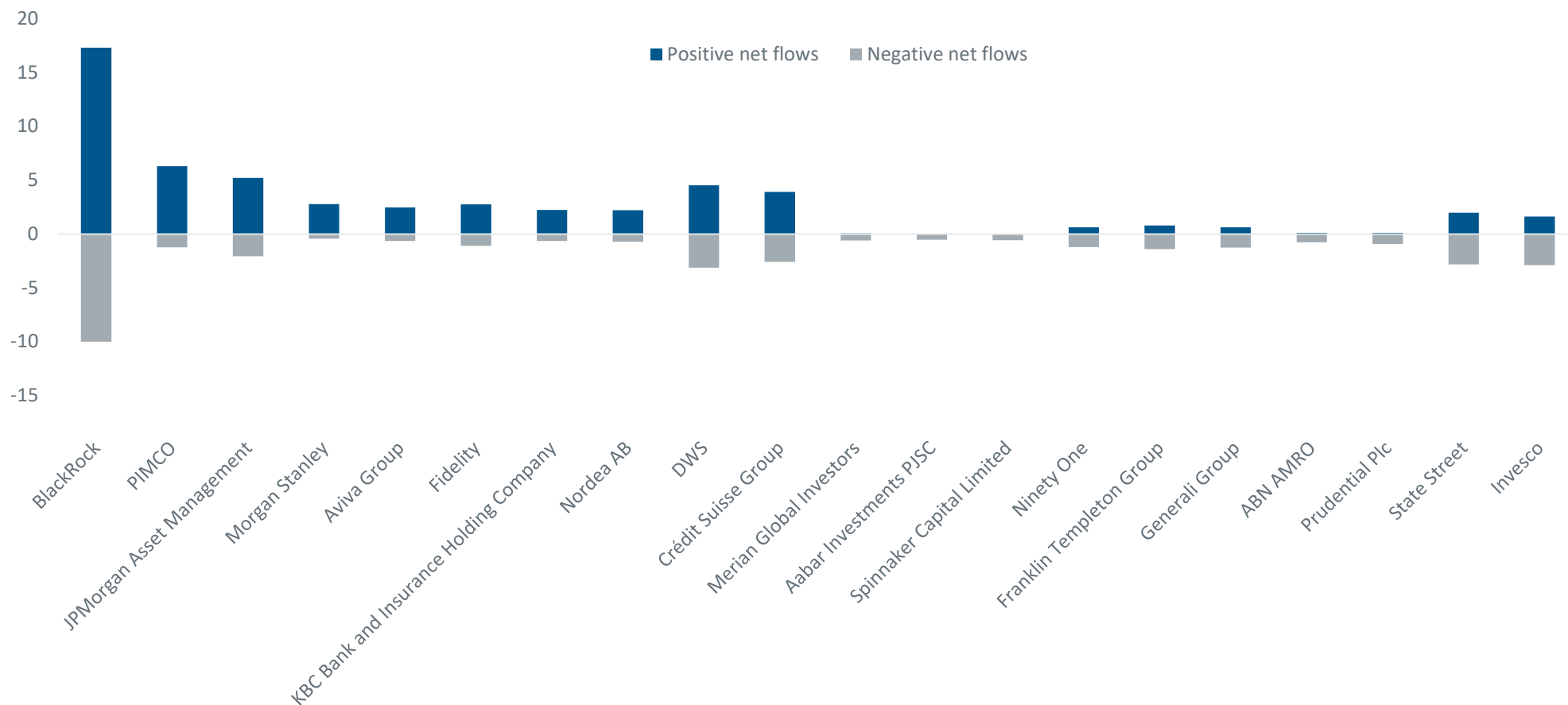


■ Cross-border combined net sales ■ Domestic combined net sales ■ Round trip combined net sales

COMPETITION

- Most groups will be pleased with their May results, which highlight a swift return of fund investors following the turbulence earlier in the year. The winners inflows were much bigger than the outflows experienced by the month’s losers.
- Groups that had a tough March recovered ground in April and May, with PIMCO especially phoenix-like: after a fire sale of its bond funds in March, it has counted among the top-3 asset managers for fund sales two months running.
- BlackRock ranked in first place with a mix of active and passive fund sales, but more weighted to passive. JPMorgan took third place, although if money market flows were included, it would have been the clear leader.

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	Organic growth
Top active	1	Aviva Investors - Global Investment Grade Corporate Bond Fund	Aviva Investors	Bnd Gbl Corp	International	May 2015	5,964	2,021	52%
	2	Quaestio Capital Fund - Global Macro Bond	Quaestio	Bnd Flex	Italy	Sep 2013	2,470	1,818	296%
	3	JPMorgan Investment Funds - Global High Yield Bond Fund	JP Morgan AM	Bnd Gbl HY	International	Mar 2000	7,548	1,284	22%
	4	PIMCO GIS Income Fund	PIMCO	Bnd Gbl Curr	International	Nov 2012	62,229	1,257	2%
	5	PIMCO GIS Global Investment Grade Credit	PIMCO	Bnd Gbl Corp	International	Jul 2003	22,797	1,208	6%
	6	Robeco High Yield Bonds	Robeco/ORIX	Bnd Gbl HY	International	Apr 1998	11,692	1,025	10%
Top passive	1	ACTIAM Duurzaam Index Aandelenfonds Pacific	VIVAT	Eq Pac inc Jpn	Netherlands	May 2020	505	505	
	2	HSBC Global Aggregate Bond Index Fund	HSBC	Bnd Gbl Curr	International	Nov 2018	5,238	454	10%
	3	iShares Overseas Corporate Bond Index	BlackRock	Bnd Gbl Corp	United Kingdom	Jan 2011	3,615	388	12%
	4	Vanguard Investment Series Plc - Vanguard Global Short-Term Corporate Bond Index Fund	Vanguard	Bnd Gbl Corp	International	Nov 2017	1,151	320	39%
	5	Swisscanto (CH) Index Bond Fund EMU Govt.	Swisscanto	Bnd Eur Gov	Switzerland	Jan 2011	565	300	116%
	6	CSIF (CH) I Equity Europe ex CH ESG Blue	Credit Suisse	Eq Europe	Switzerland	Apr 2020	516	288	136%
Top ETF	1	iShares Physical Gold ETC	BlackRock	Commod	International	Apr 2011	12,591	1,314	12%
	2	iShares \$ High Yield Corporate Bond UCITS ETF	BlackRock	Bnd USD Corp HY	International	Sep 2011	5,165	809	19%
	3	iShares Core S&P 500 UCITS ETF (USD)	BlackRock	Eq Nth Am	International	May 2010	36,048	498	1%
	4	iShares J.P. Morgan \$ Emerging Markets Bond UCITS ETF	BlackRock	Bnd Em Mkt	International	Feb 2008	8,705	495	6%
	5	JPM BetaBuilders US Treasury Bond 0-1 yr UCITS ETF	JP Morgan AM	Bnd USD Gov Sh-T	International	Jul 2019	666	476	245%
	6	iShares \$ Treasury Bond 0-1yr UCITS ETF	BlackRock	Bnd USD Gov Sh-T	International	Feb 2019	5,725	445	8%
Top launches		Fund name	Group	Sector	Fund market	Style	AUM, \$m		
	1	ACTIAM Duurzaam Index Aandelenfonds Pacific	VIVAT	Eq Pac inc Jpn	Netherlands	Passive	505		
	2	Epsilon Difesa 100 Azioni Giugno 2027	Intesa SP	Mix Targ Mat	Italy	Active	374		
	3	Ossiam Lux - Ossiam Euro Government Bonds 3-5Y Carbon Reduction UCITS ETF	Natixis	Bnd Eur Gov	International	ETF	225		
	4	BlackRock Systematic Multi Allocation Credit Fund	BlackRock	Bnd Gbl Curr	United Kingdom	Active	216		
	5	Pramerica Cedola Certa 2025	UBI Banca	Bnd Targ Mat	Italy	Active	173		
6	Northern Trust Europe Sustainable Select SDG Index FGR Fund	Northern Trust	Eq Europe	Netherlands	Passive	157			

THIS REPORT WAS BUILT WITH GLOBAL MARKET INTELLIGENCE

GMI FUNDS

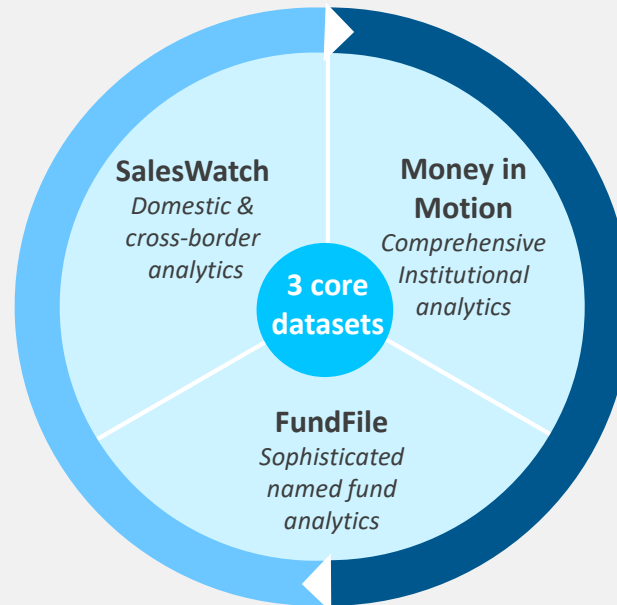
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Americas

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