

# Global Market Intelligence

FundFlash APAC

November 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

Continuing a multi-month trend, more funds see net outflows than inflows in November, pointing to an increasing concentration of assets in fewer funds given the positive total sales. Meanwhile, the big news during the month is the cancellation of Ant Group's IPO. Chinese funds that were sold on the promise that they would provide exposure to the IPO give back all the money collected to investors. Broadridge sees this episode as just a blip on the radar for investors.

### DISTRIBUTION

The fastest-growing distribution channel for cross-border funds in November is Advisors/RIA/IFA. Amid pandemic restrictions, financial advisors are seen to be gaining more sales traction with their clients in the final quarter of 2020.

### PRODUCT

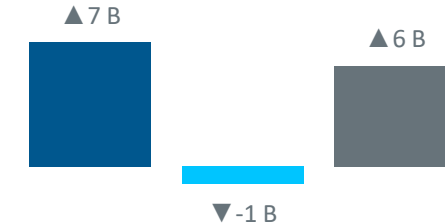
Active bond strategies focusing on APAC are the flavor of the month, drawing a total of US\$8bn in net inflows from domestic and cross-border funds. Passive equity strategies are also popular in November.

### COMPETITION

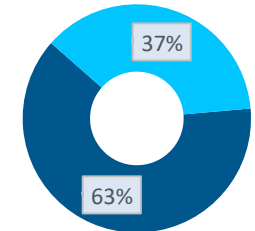
BlackRock and Vanguard are ranked top and third master groups in terms of net sales for November, boosted by US\$6bn in total net sales of ETFs during the month.

### NOVEMBER OVERVIEW

#### ACTIVE VS PASSIVE FLOW, US\$BN

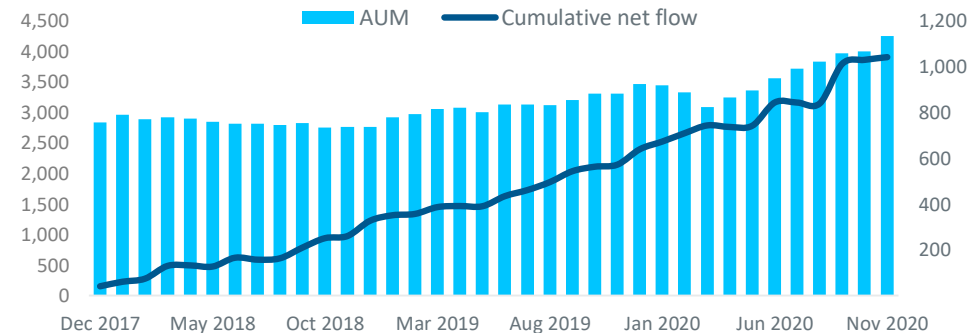


#### FLOW SENTIMENT, %

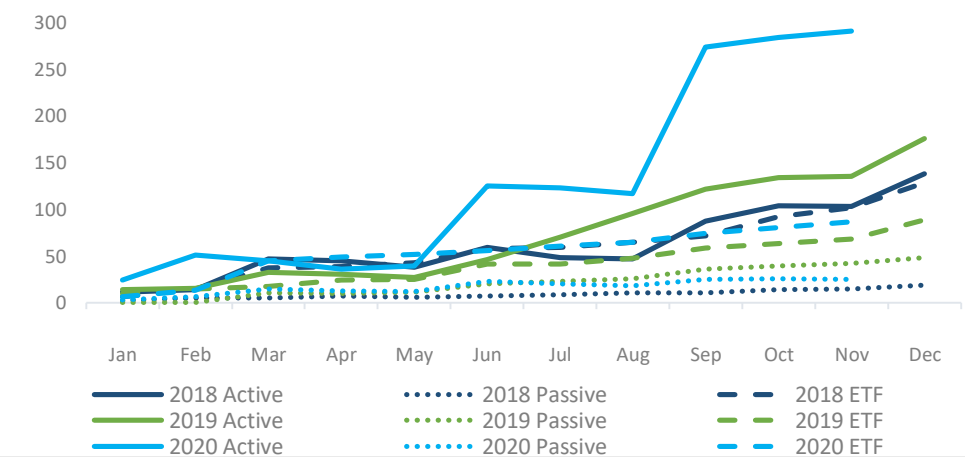


■ Active mutual funds    ■ Passive mutual funds    ■ % of # funds with negative flows  
■ All ETFs    ■ % of # funds with positive flows

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



#### FLows BY INVESTMENT STYLE AND YEAR - CUMULATIVE



**DISTRIBUTION**

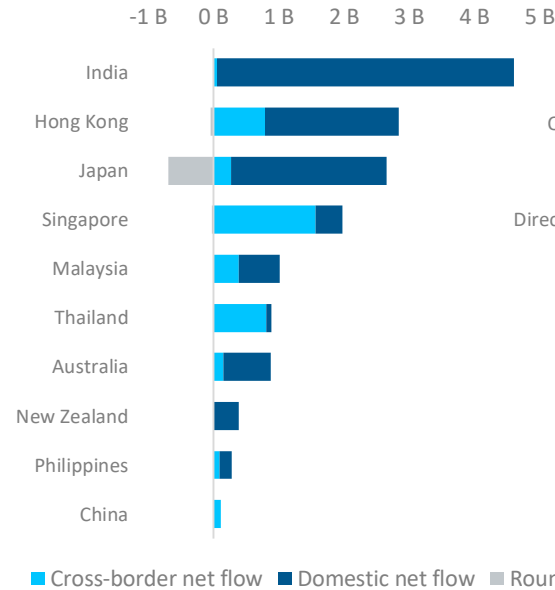
Amid pandemic restrictions, online fund platforms and digital sales have remained a focus. It was reported that Taiwanese state-backed online fund sales agent FundRich saw its total number of registered users reach 160,000 in November. The platform had gathered close to NT\$50bn (US\$1.8bn) in AUM as of mid-November. Many of its investors are participating in a two-year pension investment pilot scheme that started in July 2019. This scheme launched nine retirement pension target funds from Allianz Global Investors, Cathay Securities and Capital Securities.

Meanwhile, Broadridge research shows that large asset owners in China and Japan lead a growing trend of investment outsourcing from APAC institutions to overseas markets amid low yields in traditional asset classes. Global asset management firms operating in the region that have existing relationships are expected to be the most likely to benefit from this trend.

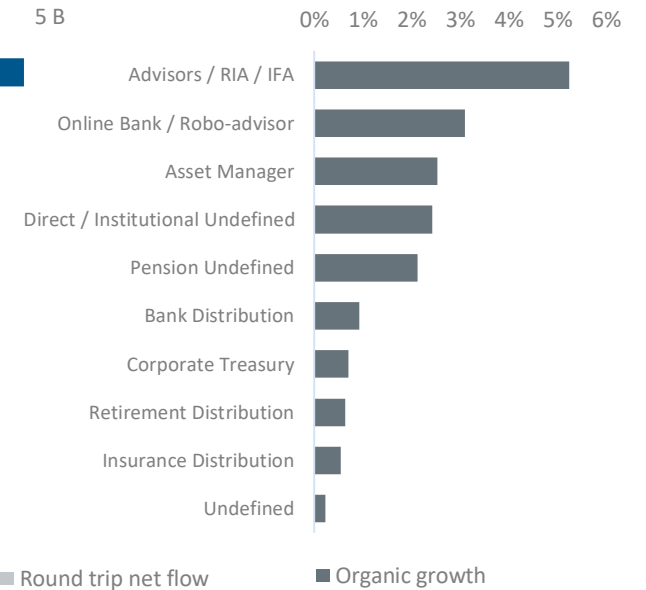
**PRODUCT**

In November, Cathay Securities was reportedly preparing to launch a 5G-themed ETF, following successful listings by Yuanta in November 2019 and Fuh Hwa in July this year. The firm claimed that its Cathay Taiwan 5G+ Communications ETF would be the ‘national 5G’ ETF that purely invests in homegrown supply-chain companies based in Taiwan. It was listed on 10 December and tracks a customized index jointly designed by Taiwan Index Plus and FactSet in October.

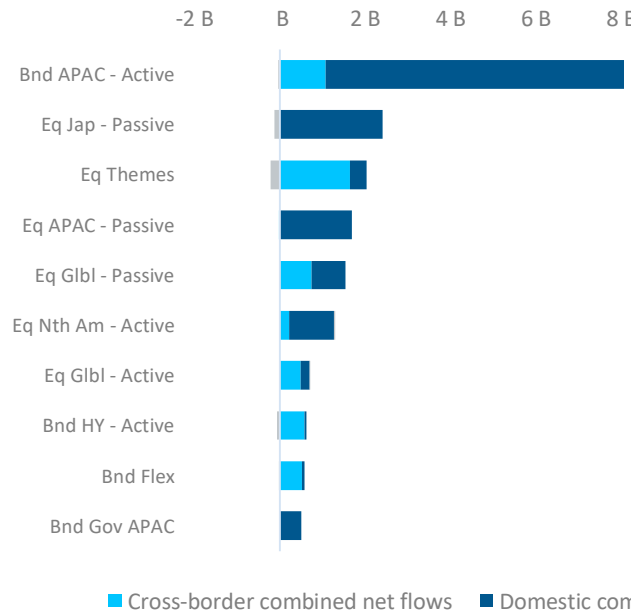
**LARGEST MARKET NET FLOW, US\$BN**



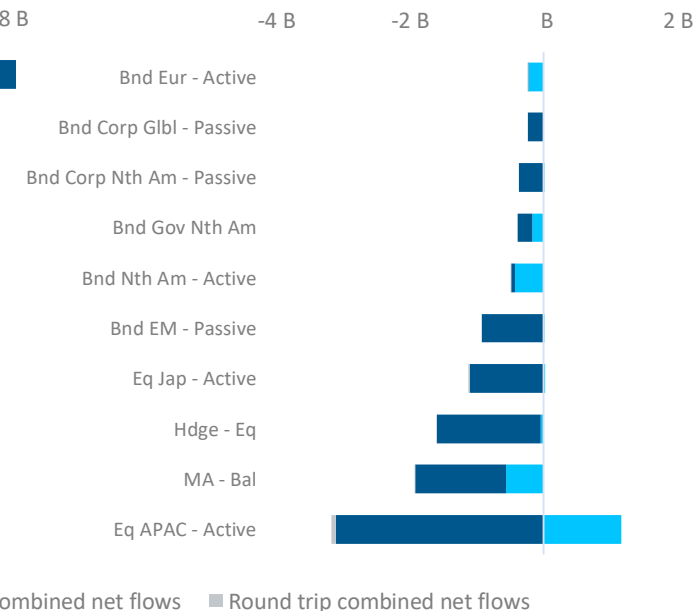
**CROSS-BORDER CHANNEL, GROWTH %**



**TOP-10 PRODUCT NET FLOW, US\$BN**



**BOTTOM-10 PRODUCT NET FLOW, US\$BN**



- In the absence of China data, two of the biggest ETF providers in the world – BlackRock and Vanguard – were ranked first and third for master groups in APAC in terms of net inflows in November. The strength in overall net flows into ETFs suggests that investor demand for passive funds may be gaining momentum again as investors remain unconvinced that active managers can consistently outperform their benchmarks amid challenging conditions brought about by the pandemic. Among the APAC-focused ETFs on investors’ radars is BlackRock’s iShares China CNY Bond ETF, which tracks the Bloomberg Barclays China Aggregate Treasury Index. This ETF is said to be the world’s largest ETF tracking an RMB-denominated bond index.
- Indian firms were prominent in the master group rankings in terms of net inflows in November, with Aditya Birla & Sun Life, Kotak and HDFC in the top 6. Indian funds also occupied five of the top-6 rankings for net sales of actively managed funds during the month. All of them were Indian rupee-denominated bond funds, led by Aditya Birla Sun Life Low Duration Fund with net sales of US\$915m. The Kotak Low Duration fund was ranked second with net sales of US\$626m while HDFC Cash Management Fund - Low Duration Retail Plan was ranked sixth with net sales of US\$424m.

**POSITIVE vs NEGATIVE NET FLOW BY GROUP, US\$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 Net Flow	1 Aditya Birla Sun Life Low Duration Fund	Aditya Birla	Bnd INR	India	May 1998	2,833	915	48%
	2 Kotak Low Duration Fund	Kotak Group	Bnd INR	India	Mar 2008	1,899	626	49%
	3 AM-One Global ESG High-Quality Growth Equity Fund (Unhedged)	Mizuho	Eq Global	Japan	Jul 2020	7,477	590	9%
	4 SBI Short Horizon Fund	State Bank of India/Amundi	Bnd INR	India	Aug 2007	3,029	437	17%
	5 IDFC Corporate Bond Fund	IDFC	Bnd INR	India	Jan 2016	3,061	427	16%
	6 HDFC Cash Management Fund - Low Duration Retail Plan	HDFC	Bnd INR	India	Jun 2004	3,342	424	15%
Top Passive Net Flow	1 Nomura Foreign Equity Index (Wrap)	Nomura	Eq Global	Japan	Feb 2008	1,321	285	31%
	2 Vanguard Global Aggregate Bond Index (Hedged)	Vanguard	Bnd Gbl Curr	Australia	Jul 2017	4,317	239	6%
	3 Vanguard Index Fund-Vanguard International Shares Index	Vanguard	Eq Global	Australia	Jun 1997	12,638	214	2%
	4 AIA Enhanced SET50	AIA Group	Eq Thailand	Thailand	Aug 2020	246	155	241%
	5 Vanguard Index Fund-Vanguard Aus Fixed Interest Index	Vanguard	Bnd AUD	Australia	Jun 1997	5,494	129	3%
	6 iShares ESG Australian Bond Index Fund	BlackRock	Bnd AUD	Australia	Feb 2019	267	75	41%
Top ETF	1 BRJ I Shares Core Nikkei 225	BlackRock	Eq Japan	Japan	Sep 2001	7,223	1,122	21%
	2 iShares Core MSCI AC Asia ex Japan Index ETF	BlackRock	Eq Pac ex Jpn	Hong Kong	Apr 2009	1,907	1,015	126%
	3 Nomura NF NikkeiAvg Inverse Index Link ETF	Nomura	Eq Alt Inv/Lev	Japan	Apr 2012	1,338	942	172%
	4 Nomura NF TOPIX ETF	Nomura	Eq Japan	Japan	Jul 2001	134,053	894	1%
	5 Daiwa Nikkei 225 Index Linked Listed Investment	Daiwa	Eq Japan	Japan	Jul 2001	33,564	744	3%
	6 Nomura NF Nikkei 225 Double Inverse IDX Linked ETF	Nomura	Eq Alt Inv/Lev	Japan	Jul 2014	2,713	666	23%
	Fund name	Group	Sector	Fund market	Style	AUM, \$m		
Top Launches	1 Invesco Asian Bond Fixed Maturity Fund 2021 - V	Invesco	Bnd Targ Mat	Hong Kong	Active	300		
	2 Bualuang Thanasarn Plus 8/20 NFRI	Bangkok Bank	Bnd Targ Mat	Thailand	Active	190		
	3 Daiwa iFreeETF-TOPIX(Quarterly Dividend Type)	Daiwa	Eq Japan	Japan	ETF	177		
	4 AM-One One Yen Denominated Bond Fund 2020-11	Mizuho	Bnd Targ Mat	Japan	Active	171		
	5 SMDS Kyoto Corporate Equity Fund (Asset Growth)	Sumitomo Mitsui Trust Holdings	Eq Japan	Japan	Active	153		
	6 Nippon India ETF Nifty CPSE Bond Plus SDL - 2024 Maturity	Nippon Life	Bnd Targ Mat	India	ETF	139		

# THIS REPORT WAS BUILT WITH GLOBAL MARKET INTELLIGENCE

## GMI FUNDS

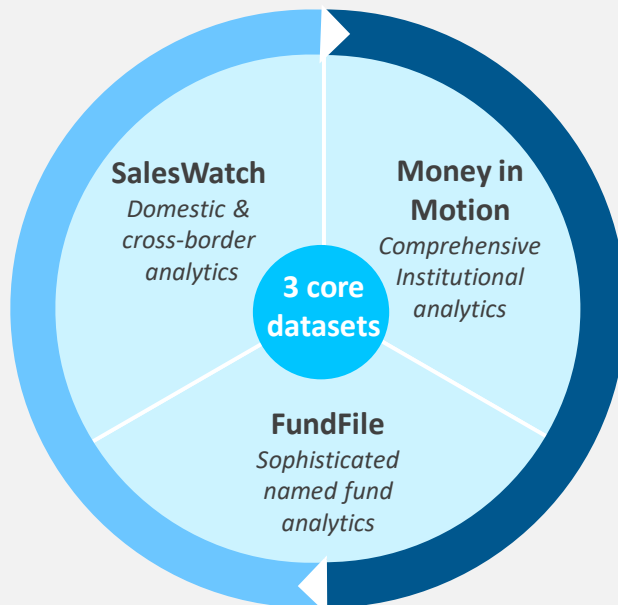
Detailed Domestic and Cross-Border Fund Market Intelligence across retail & institutional channels

- 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

APAC

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

APAC

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Comprehensive Analytics

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