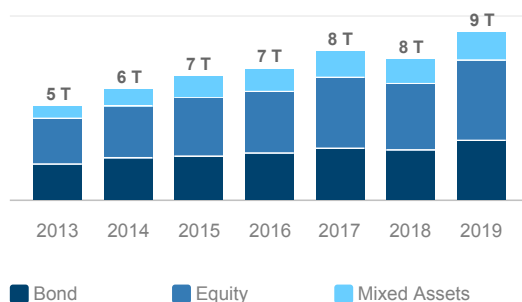


FundFlash Monthly Snapshot of European Trends



European assets by investment type



Dec 2019 net sales of long term funds

€55.6 B

2019 net sales of long term funds

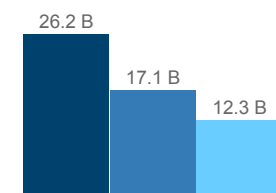
€226.8 B

Asset Growth month on month

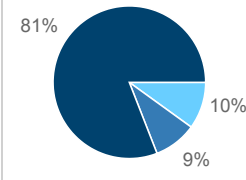
+1.65%

Passive vs Active overview in Dec 2019

Net sales



Assets



December in brief

- For a year that was otherwise weighed down by negative sentiment, 2019 ends with a spectacular flourish, long-term funds posting net inflows of €56bn in December.
- Risk appetite is on the rise thus draining the appeal of Money Market funds, which see withdrawals of €11bn.
- Passive funds retain the high ground, but in this final month of the year their net inflows account for just 53% of the long-term total.
- Bonds may have been the dominant asset class in 2019, but the category gave way to equities in November and this trend follows through in December.
- Global equity funds win the largest volume of new money (€7bn), and active funds are the dominant driver.
- BlackRock is the month's top-selling group, and also reigns supreme for the year. Of the active fund groups, PIMCO is the 2019 winner with net inflows of €40bn.
- An institutional US equity tracker fund from Pictet scores the largest inflows of the final month of the year at €2.2bn, beating even the Swedish AP default pension funds.

Bright new year beckons

Sales trends in the fund industry seldom follow calendar deadlines and 2019 was no different. The year began in desultory fashion as investors took stock of global economic weakness. The negative sentiment that sucked the energy out of fund sales at the end of 2018 weighed on savers as the year turned, and it continued until Central Banks stepped in with further market support. With this prop, new money began to flow back into funds and 2019 ended on a high point never before seen in December, a month that is normally dragged back by bed and breakfast practices. This gives good cause for optimism for the early months of 2020.

The base drivers are all in place; Central Bank support, Brexit and US/China trade talks on the back burner and recognition by investors that they missed a year of extraordinary market performance in 2019, exemplified by a 25% return on the MSCI World Index. Although fixed income funds garnered the largest inflows (€274bn), it was equity funds that delivered the strongest asset growth (€870bn) and this, despite ending the year with cumulative redemptions of nearly €30bn. It is quite likely that retail investors will once again arrive late to the party, but their arrival should brighten up the year for many fund managers.

Looking ahead

Denting the general mood of bonhomie in January was the spread of coronavirus and its potential to damage stock market performance, at least in the short term. Indeed, markets ended the month in a bit of a funk, most major indices dipping into the red. But this is the Chinese year of the metal rat – a year that is characterised by innovation, driven energy and success, albeit with some upheavals along the way. 2019 left many investors wishing they had been a bit more adventurous with their savings and this pent-up energy could help push net inflows ahead of last year's volumes.

European Net Sales by Investment Type (€m)

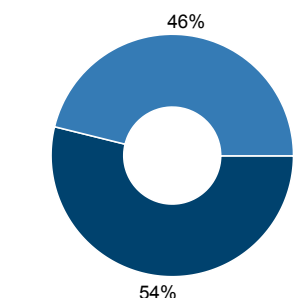
Investment Type	Jan 2019	Feb 2019	Mar 2019	Apr 2019	May 2019	Jun 2019	Jul 2019	Aug 2019	Sep 2019	Oct 2019	Nov 2019	Dec 2019
Bond	14,131	17,409	25,131	26,758	18,482	31,411	33,265	26,037	13,820	29,869	13,426	24,115
Equity	-2,296	-1,722	-21,168	-13,357	-19,138	-4,588	-3,437	-24,211	9,741	2,241	20,912	27,599
Mixed	-4,467	-3,988	-6,243	-3,390	-4,461	-427	-3,989	-1,984	3,030	1,464	6,313	5,295
Money Market	965	-13,867	1,810	7,430	8,585	-14,599	42,455	44,653	-16,251	-2,080	3,312	-11,279
Rest	-3,610	536	-2,377	251	2,235	1,023	526	-227	-1,223	1,127	-1,714	-1,362

Top Markets by Sales - Latest Month (€bn)

Fund Market	Assets	Previous month Net Sales	Latest Net Sales	Bottom selling fund	Top selling fund
International *	4,929 B	28.3 B	36.7 B	-1.8 B	1.8 B
Switzerland	533 B	1.8 B	5.1 B	-0.3 B	2.2 B
Sweden	398 B	-0.3 B	5.0 B	-0.2 B	1.3 B
Italy	519 B	3.3 B	4.5 B	-0.1 B	0.7 B
Germany	687 B	2.3 B	2.6 B	-0.3 B	0.2 B
Spain	186 B	-0.5 B	0.8 B	-0.1 B	0.1 B

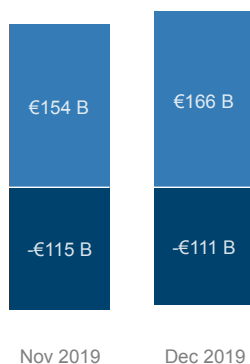
* International market granularity available via SalesWatch. Funds of funds and money market funds are excluded.

Flow sentiment



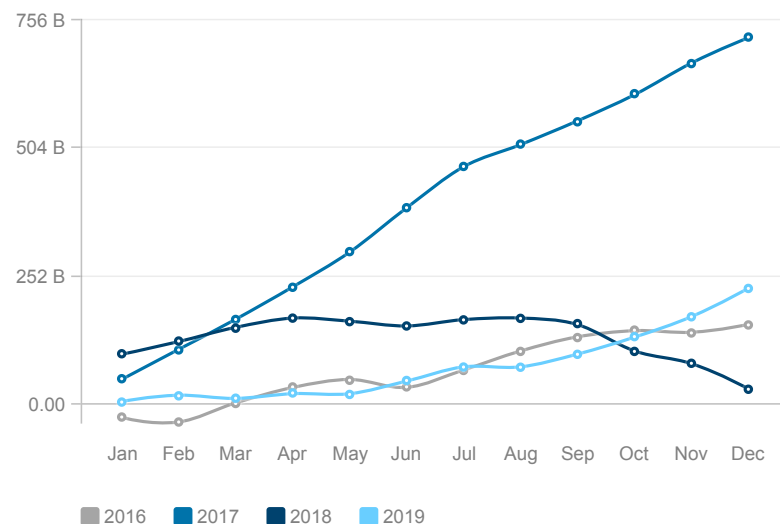
■ % of # funds with negative flows
■ % of # funds with positive flows

Positive net sales vs Negative net sales

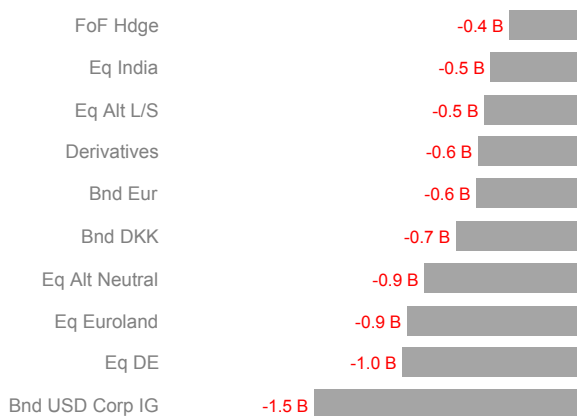


■ Positive Flows
■ Negative Flows

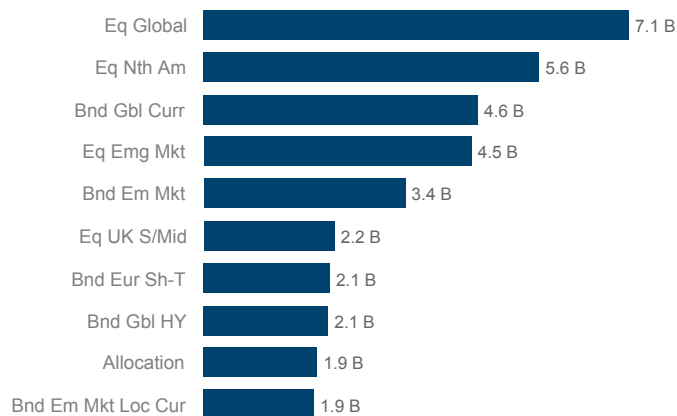
Cumulative net sales by year (€bn)



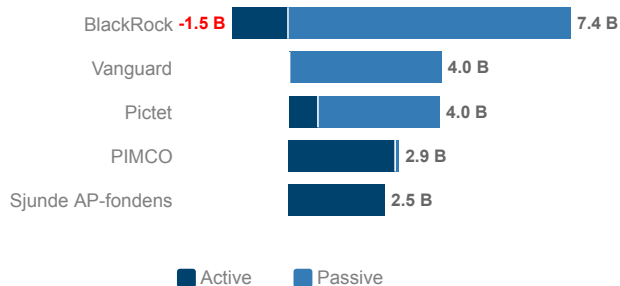
Bottom 10 selling sectors - Latest month (€bn)



Top 10 Sectors selling sectors - Latest month (€bn)



Top selling groups - Latest month (€bn)



Top selling groups - Latest 12 months (€bn)

Master Group	NAT	Assets	Net Sales
BlackRock	US	784.3 B	49.5 B
PIMCO	US	188.2 B	40.7 B
Vanguard	US	185.6 B	19.9 B
Credit Suisse	CH	170.5 B	19.2 B
AB	US	88.4 B	18.0 B

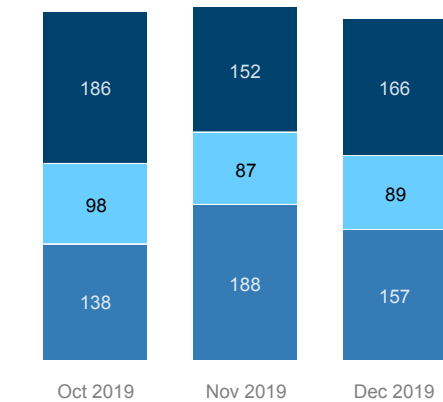
Top 10 Selling Funds - Latest month (€m)

Fund Name	Fund Domicile	Investment Type	Fund Strategy	Net Sales
Pictet (CH) Institutional - North-American Equities Tracker (US Tax exempt)	Switzerland	Equity	Passive	2,205
UBS ETF - MSCI Emerging Markets UCITS ETF	Luxembourg	Equity	Passive	1,799
AP7 Aktiefond	Sweden	Equity	Active	1,293
AP7 Räntefond	Sweden	Bond	Active	1,250
PIMCO GIS Income Fund	Ireland	Bond	Active	1,135
Vanguard Funds Plc - Vanguard FTSE 250 UCITS ETF	Ireland	Equity	Passive	914
iShares \$ Treasury Bond 0-1yr UCITS ETF	Ireland	Bond	Passive	888
Multi Manager Access II - Emerging Markets Debt	Luxembourg	Bond	Active	776
EIS - Flexible Multiasset	Luxembourg	Mixed Assets	Active	718
Invesco S&P 500 UCITS ETF	Ireland	Equity	Passive	705

Best Sellers by Month (€bn)

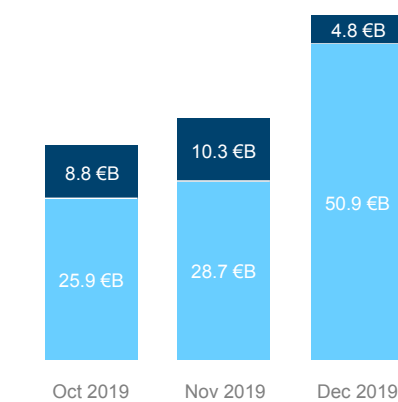
Fund Name	Fund Domicile	Type	Month/Year	Net Sales
Pictet (CH) Institutional - North-American Equities Tracker (US Tax exempt)	Switzerland	Eq	Dec 2019	2.2 B
FP Brunel High Alpha Global Equity	United Kingdom	Eq	Nov 2019	3.2 B
State Street Global Advisors Lux SICAV - Global Treasury 1-10 Year Bond Index	Luxembourg	Bnd	Oct 2019	1.4 B
UBS ETFs plc - MSCI ACWI SF UCITS ETF	Ireland	Eq	Sep 2019	3.3 B
Focused Sicav - US Treasury Bond USD	Luxembourg	Bnd	Aug 2019	6.1 B
UBS ETFs plc - MSCI ACWI SF UCITS ETF	Ireland	Eq	Jul 2019	3.7 B
PIMCO GIS Income Fund	Ireland	Bnd	Jun 2019	3.5 B
ACTIAM (L) Sustainable Euro Fixed Income Fund	Luxembourg	Bnd	May 2019	2.9 B
Fundsmith Equity Fund Sicav	Luxembourg	Eq	Apr 2019	2.9 B
PIMCO GIS Income Fund	Ireland	Bnd	Mar 2019	1.9 B
UBS ETFs plc - MSCI ACWI SF UCITS ETF	Ireland	Eq	Feb 2019	3.3 B
PIMCO GIS Income Fund	Ireland	Bnd	Jan 2019	2.1 B

Historical fund launches & closures



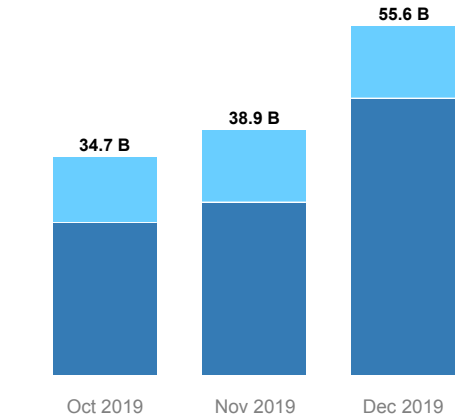
■ Fund Closures
 ■ Fund Mergers
 ■ Fund Launches

New launch flows vs existing funds



■ Flows into existing funds
 ■ Flows into newly launched funds

Net sales of the top10 selling funds vs the rest

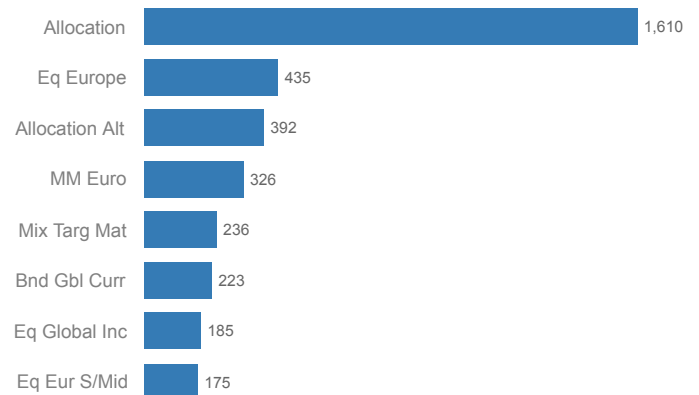


■ Rest
 ■ Top 10 funds' net sales

Fund launches by group - Latest month (€m)

Master Group	# Funds	Net Sales
Intesa SP	9	1,645
Edmond de Rothschild	6	261
Generali	2	245
Mediobanca	1	186
Swisscanto	2	159

Fund Launches: Top Sectors by net sales - Latest month (€m)



Number of fund launches by region



Top fund launches - Latest month (€m)

Fund Name	Domicile	Investment Type	Launch Date	Net Sales
EIS - Flexible Multiasset	LU	Mixed Assets	2019-12	718
EIS - Flexible Plus 11	LU	Mixed Assets	2019-12	493
Eurizon Fund - Money Market EUR T1	LU	Money Market	2019-12	326
Generali Multi Portfolio Solutions SICAV - Multi Alternative Risk Premia Fund	LU	Mixed Assets	2019-12	220
Mediobanca Active Allocation	IT	Mixed Assets	2019-12	186
JPMorgan Funds - Europe Sustainable Small Cap Equity Fund	LU	Equity	2019-12	147
Janus Henderson Capital Funds - Multi-Sector Income Fund	IE	Bond	2019-12	142
Visionfund - Europe Growth	LU	Equity	2019-12	131
Quaestio Alternative Funds S.C.A, SICAV-FIS - Fund Six	LU	Mixed Assets	2019-12	117
BEKB Obligationen CHF Short Duration	CH	Bond	2019-12	106

Data in EURO as at: Dec 2019

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