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Monthly European ETF Market Trends

MAR 2015 in brief



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European ETF market flows remained sustained in March 2015. NET NEW ASSETS (NNA) during this month amounted to EUR 6.4 billion, nearly 20% above one-year average flows. Total Assets under Management are up 20% vs. the end of 2014, reaching EUR 436 billion, and include a significant market impact (+13.7%). ETFs on European and Asian equities and on fixed income have been the main beneficiaries of a bullish environment.*

■ **Equity indexation inflows were limited to EUR 2.4 billion, -26% vs. the one-year average.** Investors are favouring European and Asian equity ETFs, supported by monetary policy that is still accommodative. European equity ETF inflows have reached EUR 4.9 billion only 14% below January 2015's record high of EUR 5.7 billion. Asian equity ETFs inflows have reached a one year record high at EUR 931 million. Conversely, US Equity ETFs continue to register outflows for the second consecutive month, at a record level of EUR 2.2 billion. Emerging market equity ETF flows have been negatively impacted by the outlook of an interest rate increase in the US and have registered EUR 607 million in outflows.

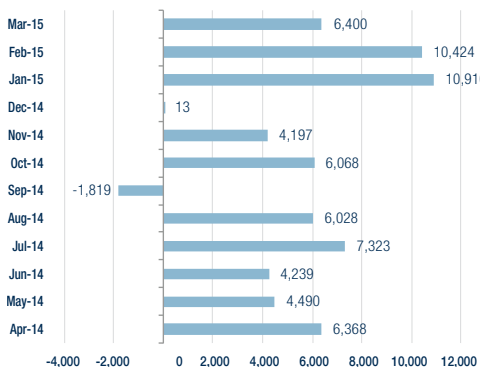
■ **Fixed income indexation inflows continue to be significant at EUR 3.9 billion, 72% higher than the one-year average of EUR 2.2 billion.** In Europe, corporate bond indexations are still the main beneficiary of the funds channelled towards the credit market by the ECB quantitative easing measures. High yield indexations registered high inflows, boosted by the hunt for yield among investors due to the very low/negative interest rates environment.

■ **Commodities flows have continued to rebound in March 2015 at EUR 197 million,** mainly owing to positive flows on broad indexations in an environment characterised by stabilising oil prices.

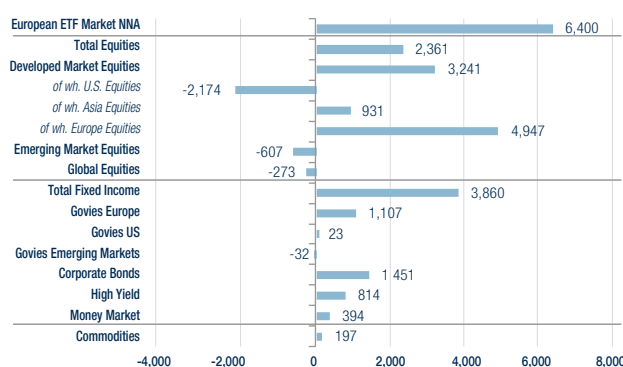
*MSCI ACWI +13.7% between 31/12/14 and 27/3/15 in EUR.

EUROPEAN ETFs IN MARCH 2015 – NET INFLOWS (EURM)

SUSTAINED NNA AT EUR6.4BN IN MARCH 2015
 MONTHLY NET NEW ASSETS ON EUROPEAN ETFS



HIGH INFLOWS ON EUROPEAN & ASIAN EQUITIES AND CORPORATES & HIGH YIELD BOND ETFs
 MONTHLY NET INFLOWS ON EUROPEAN ETFS BY ASSET CLASS



Sources: Monthly data in EURM from 01/04/2014 until 27/03/2015, Bloomberg, Lyxor

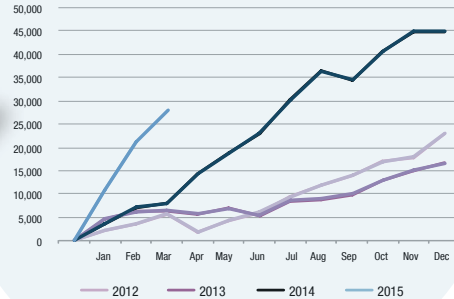
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YTD OVERVIEW

GLOBAL

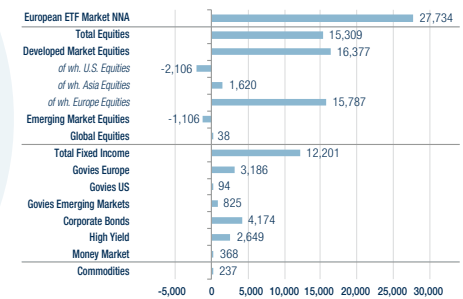
STRONG POSITIVE TREND YTD ON EUROPEAN ETFs

CUMULATED MONTHLY NET NEW ASSETS ON EUROPEAN ETFs



MONTHLY NET INFLOWS ON EUROPEAN ETFs BY ASSET CLASS

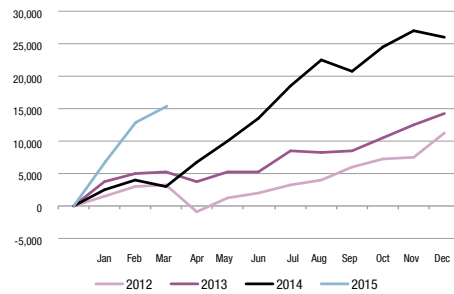
YTD NET INFLOWS ON EUROPEAN ETFs BY ASSET CLASS



EQUITY

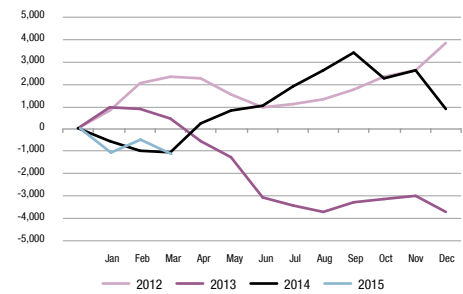
SLIGHT DOWNWARD TREND ON EQUITY ETFs IN MARCH 2015

MONTHLY NET NEW ASSETS ON EQUITY ETFs



STILL OUTFLOWS ON EMERGING MARKET EQUITY ETFs

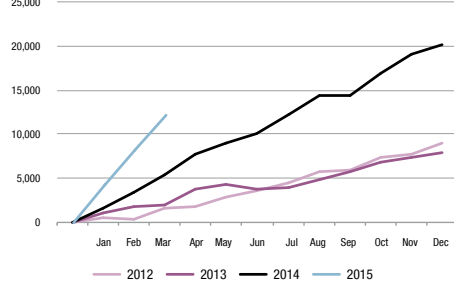
MONTHLY NET NEW ASSETS ON EMERGING MARKET EQUITY ETFs



FIXED INCOME & COMMODITIES

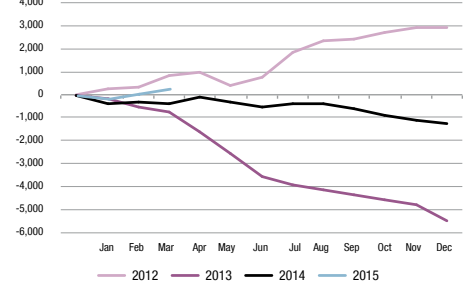
STRONG POSITIVE TRENDS ON FIXED INCOME ETFs

MONTHLY NET NEW ASSETS ON FIXED INCOME ETFs



LIMITED POSITIVE FLOWS ON COMMODITIES ETFs

MONTHLY NET NEW ASSETS ON COMMODITIES ETFs



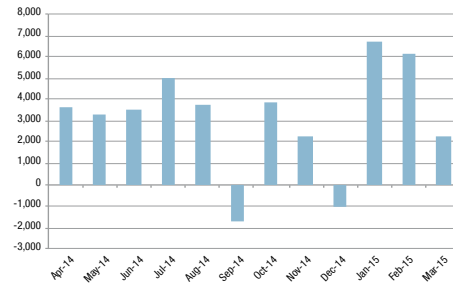
Sources: Monthly data in EURM from 01/04/2014 until 27/03/2015, Bloomberg, Lyxor

OVERVIEW BY ASSET CLASS

EQUITY

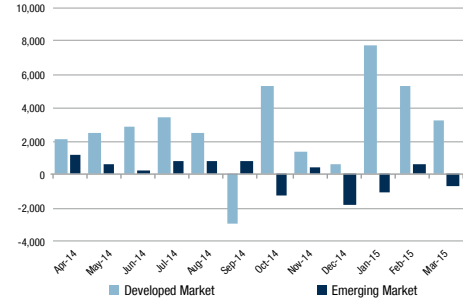
STRONG REDUCTION IN NNA ON EQUITY ETFs IN MARCH 2015 AT EUR2.4BN

MONTHLY NET NEW ASSETS ON EQUITY ETFs



MAINLY ON DEVELOPED MARKETS WHILE EMERGING ETFs SAW OUTFLOWS OF EUR607M

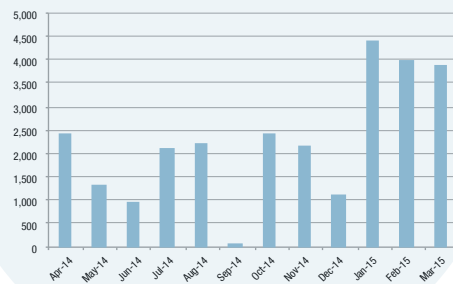
MONTHLY NET NEW ASSETS ON DEVELOPED VS EMERGING MARKETS EQUITY ETFs



FIXED INCOME

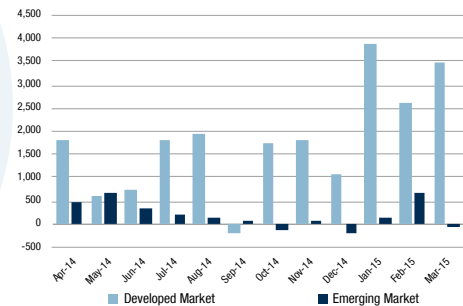
THIRD CONSECUTIVE MONTH OF SUSTAINED INFLOWS ON FIXED INCOME ETFs IN MARCH 2015 AT EUR3.9BN

MONTHLY NET NEW ASSETS ON FIXED INCOME ETFs



MAINLY CONCENTRATED ON DEVELOPED MARKET FIXED INCOME ETFs WITH INFLOWS OF EUR3.5BN

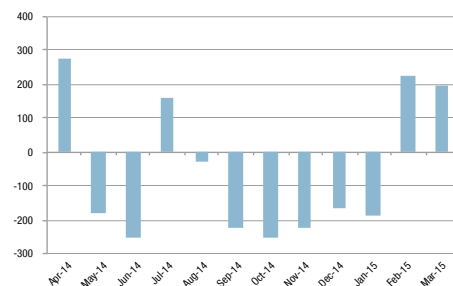
MONTHLY NET NEW ASSETS ON DEVELOPED VS EMERGING MARKETS FIXED INCOME ETFs



COMMODITIES

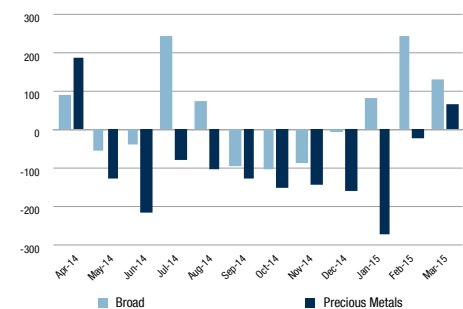
SECOND CONSECUTIVE MONTH OF POSITIVE INFLOWS ON COMMODITIES ETFs AT EUR197M FOLLOWING SEVERAL MONTHS OF OUTFLOWS

MONTHLY NET NEW ASSETS ON COMMODITIES ETFs



MAINLY CONCENTRATED ON BROAD INDEXATION ETFs

MONTHLY NET NEW ASSETS ON BROAD & PRECIOUS METALS ETFs



Sources: Monthly data in EURM from 01/04/2014 until 27/03/2015, Bloomberg, Lyxor

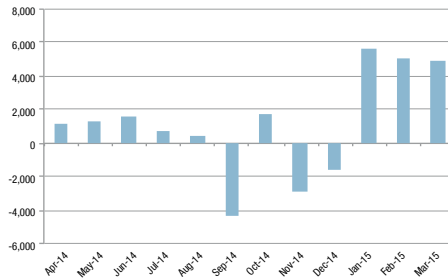
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EQUITIES

EUROPEAN EQUITIES

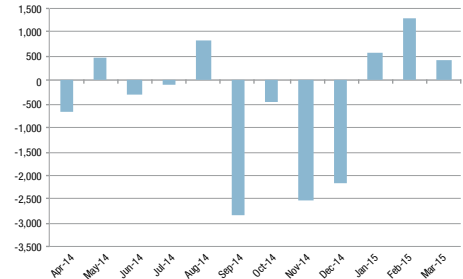
THIRD CONSECUTIVE MONTH OF SUSTAINED INFLOWS ON EUROPEAN EQUITY ETFs AT EUR4.9BN

MONTHLY NET NEW ASSETS ON EUROPEAN EQUITY ETFs



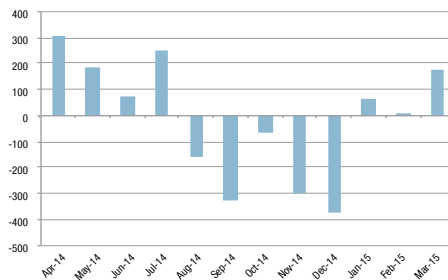
SMALL POSITIVE FLOWS ON GERMAN EQUITY ETFs AT EUR397M

MONTHLY NET NEW ASSETS ON GERMAN EQUITY ETFs



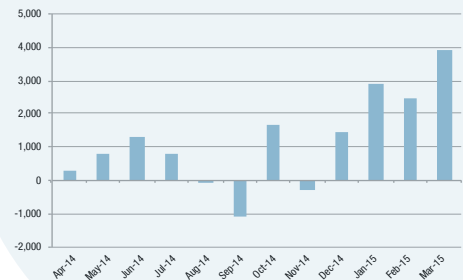
SLIGHT REBOUND OF INFLOWS ON SPAIN & ITALY REMAIN AT EUR177M

MONTHLY NET NEW ASSETS ON PERIPHERAL EUROPEAN EQUITY ETFs



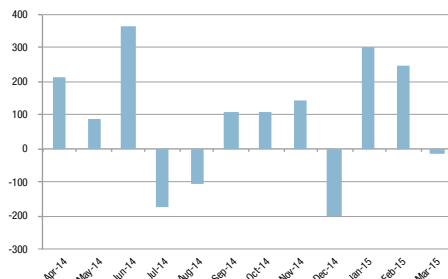
THE REST OF THE EUROPEAN REGION SAW ONE YEAR RECORD HIGH INFLOWS OF EUR3.9BN

MONTHLY NET NEW ASSETS ON EUROPEAN REGION EQUITY ETFs



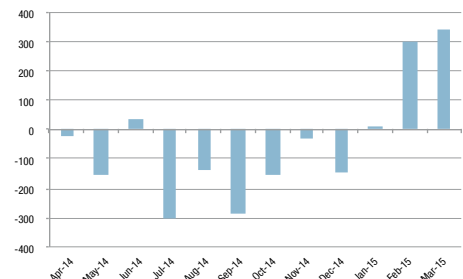
LIMITED FLOWS ON FINANCIALS EQUITIES

MONTHLY NET NEW ASSETS ON EUROPEAN FINANCIALS EQUITY ETFs



SECOND CONSECUTIVE MONTH OF POSITIVE FLOWS ON SMALL & MID CAP ETFs AT EUR342M

MONTHLY NET NEW ASSETS ON EUROPEAN SMID CAP EQUITY ETFs



Sources: Monthly data in EURM from 01/04/2014 until 27/03/2015, Bloomberg, Lyxor

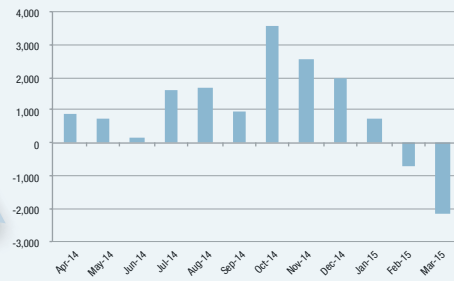
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EQUITIES

US & JAPAN EQUITIES

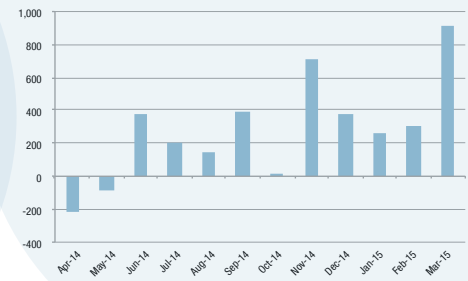
STRONG TREND REVERSAL FOR 2 MONTHS ON US EQUITY ETFs WITH EUR2.2BN OF OUTFLOWS IN MARCH 2015

MONTHLY NET NEW ASSETS ON US EQUITY ETFs



ONE YEAR RECORD HIGH INFLOWS ON JAPANESE ETFs WITH INFLOWS OF EUR906M

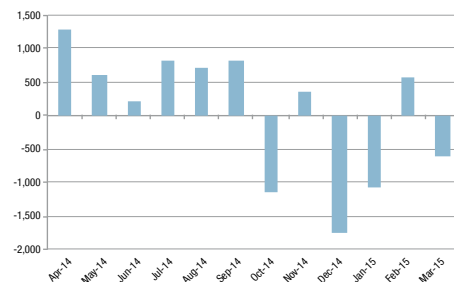
MONTHLY NET NEW ASSETS ON JAPANESE EQUITY ETFs



EMERGING MARKET EQUITIES

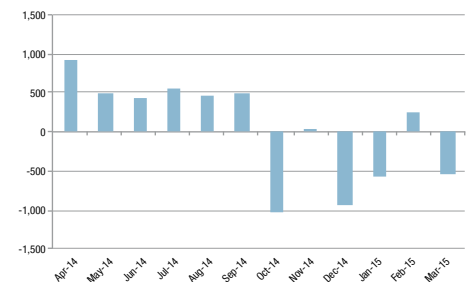
EUR607M OF OUTFLOWS ON EMERGING ETFs

MONTHLY NET NEW ASSETS ON EMERGING EQUITY ETFs



MAINLY FROM BROAD EM EQUITY INDEXATIONS WITH A RECORD OF EUR543M OF OUTFLOWS

MONTHLY NET NEW ASSETS ON BROAD EM EQUITY ETFs*

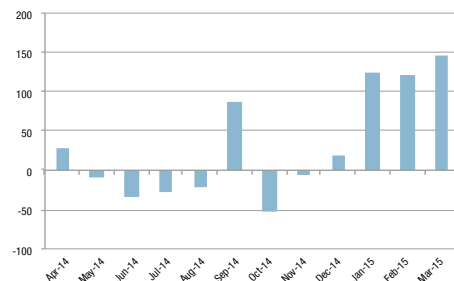


*mainly concerning MSCI EM indexations

THEMATIC

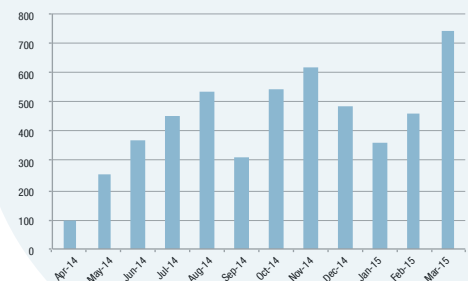
ONE-YEAR RECORD HIGH ON INDIAN ETFs AT EUR147M WITH A TOTAL OF EUR395M OF INFLOWS YEAR TO DATE

MONTHLY NET NEW ASSETS ON INDIAN EQUITY ETFs



RECORD INFLOWS ON SMART BETA ETFs AT EUR744M

MONTHLY NET NEW ASSETS ON SMART BETA ETFs



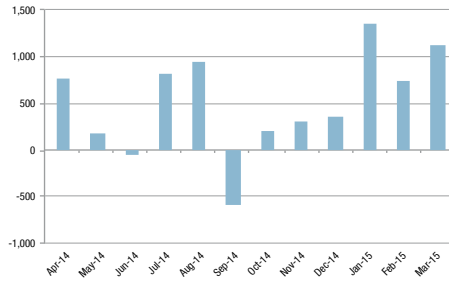
Sources: Monthly data in EURM from 01/04/2014 until 27/03/2015, Bloomberg, Lyxor

FIXED INCOME

EUROPEAN DEBT MARKET

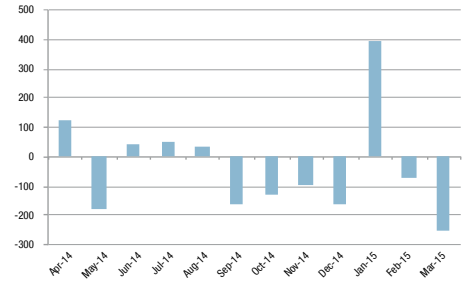
STILL SUSTAINED FLOWS ON EUROPEAN GOVIES AT EUR1.2BN

MONTHLY NET NEW ASSETS ON EUROPEAN GOVIES ETFs



RECORD OUTFLOWS ON GERMAN GOVIES AT EUR254M

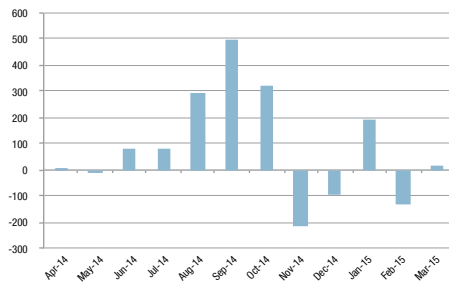
MONTHLY NET NEW ASSETS ON GERMAN GOVIES ETFs



US GOVIES

LIMITED INFLOWS ON US GOVIES AT EUR23M

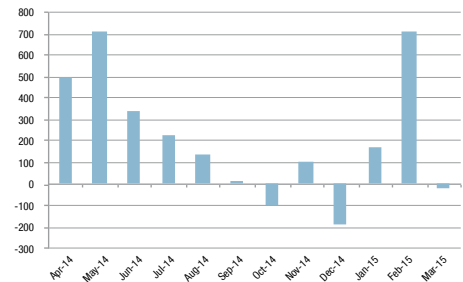
MONTHLY NET NEW ASSETS ON US GOVIES ETFs



EMERGING MARKET DEBT

LIMITED FLOWS ON EM DEBT

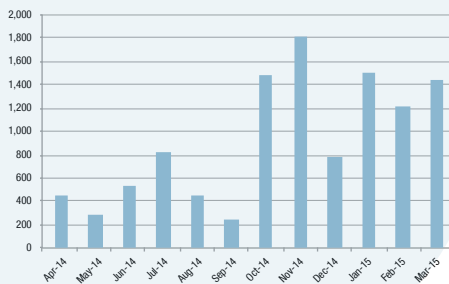
MONTHLY NET NEW ASSETS ON EMERGING MARKET DEBT ETFs



CREDIT MARKET

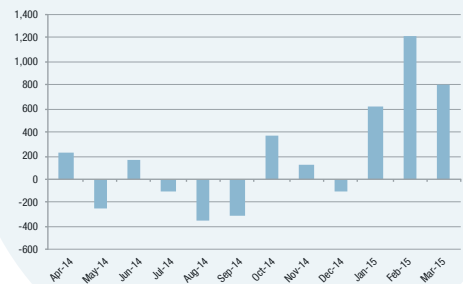
STRONG INFLOWS FOR ONE SEMESTER ON CORPORATE BONDS AT EUR1.5BN

MONTHLY NET NEW ASSETS ON CORPORATE BOND ETFs



SUSTAINED INFLOWS ON HIGH YIELD BONDS AT EUR814M WITH MORE THAN 2.6BN OF INFLOWS YEAR TO DATE

MONTHLY NET NEW ASSETS ON HIGH YIELD BOND ETFs



Sources: Monthly data in EURM from 01/04/2014 until 27/03/2015, Bloomberg, Lyxor

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Fund Liquidity risk: The Fund's liquidity and/or value may be negatively affected by different factors.

Counterparty risk: The Fund shall be exposed to the counterparty risk resulting from the use of OTC for ward financial instruments contracted with a lending institution.

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