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EUROPEAN FUND FLOWS REPORT: SEPTEMBER 2015

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EXECUTIVE SUMMARY

September 2015: Home Sweet Home—European Investors Invest in Europe

- The European funds industry faced estimated net outflows of €17.0 bn from long-term mutual funds for September. Mixed-asset funds (+€2.0 bn) were the best selling asset class overall, followed by alternative UCITS products (+€1.8 bn) and real estate funds (+€0.4 bn).
- Money market products faced overall net outflows of €14.4 bn for September.
- The single fund markets with the highest net inflows for September were the United Kingdom (+€3.7 bn), Germany (+€1.7 bn), and Switzerland (+€0.4 bn). France (-€19.8 bn), Luxembourg (-€9.3 bn), and the Netherlands (-€4.0 bn) stood on the other side.
- Equity Eurozone (+€1.7 bn) was the best selling sector for September among long-term funds.
- BlackRock, with net sales of €6.1 bn, was the best selling group for September overall, ahead of Standard Life (+€1.4 bn) and Vanguard (+€1.1 bn).
- The ten best selling funds gathered net inflows of €13.1 bn for September.
- **BlackRock ICS Institutional USD Liquidity Core Acc** (+€1.7 bn) was the best selling individual fund for September.



EUROPEAN FUND FLOWS, SEPTEMBER 2015

European Fund-Flow Trends, September 2015

September hit the European mutual fund industry with outflows of €17.0 bn from long-term mutual funds. In contrast to the general market trend and their outflows for August, mixed-asset products (+€2.0 bn) returned as the best selling asset type in Europe for September, followed by alternative UCITS (+€1.8 bn) and real estate funds (+€0.4 bn). All other asset types, led by bond funds (-€19.3 bn), suffered net outflows. The asset type with the second highest net outflows was equity funds (-€1.2 bn), bettered somewhat by “other” products (-€0.3 bn) and commodity funds (-€0.3 bn). These flow patterns once again showed the strong demand by European investors for broad diversified products to meet their risk/return targets. These flows summed to estimated net outflows of €17.0 bn from long-term investment funds for September.

Despite the net outflows for September, the European investment industry still enjoyed healthy estimated net inflows of €256.8 bn into long-term investment funds for the year to date.

Money Market Products

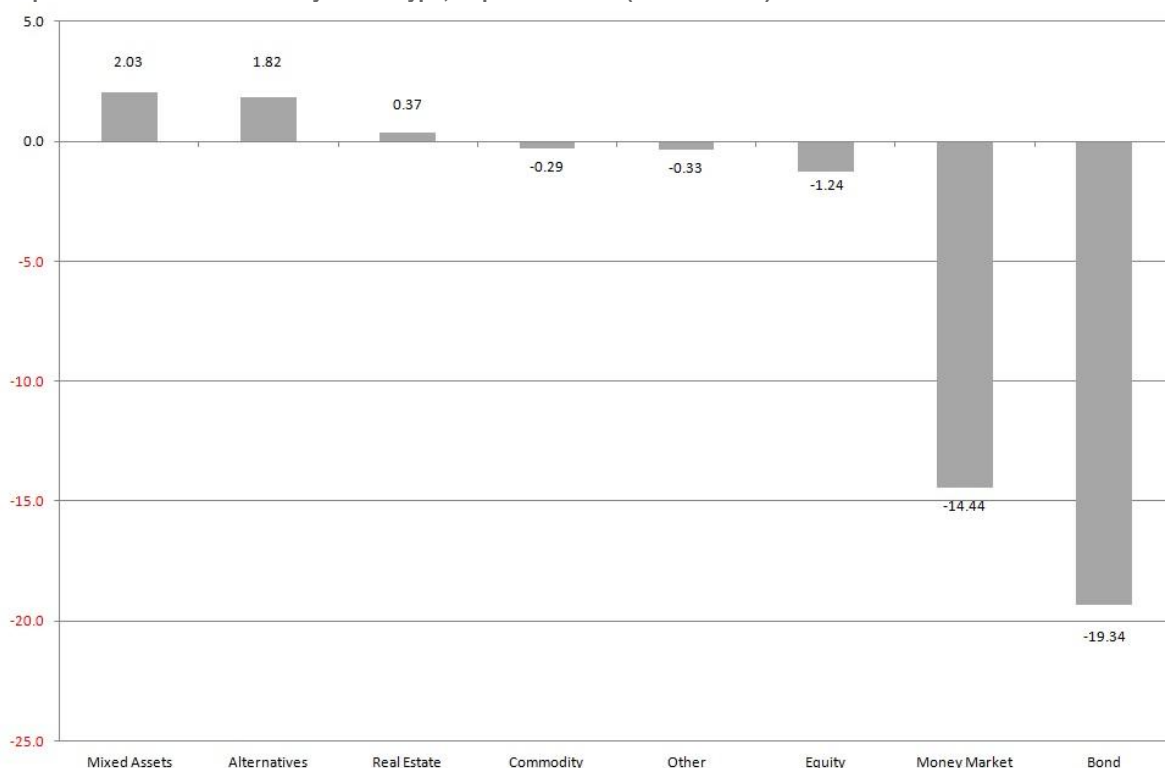
After strong inflows during August, money market products faced net outflows of €14.4 bn for September.

The outflows for the money market segment brought the overall net outflows for September to €31.4 bn and to a positive €278.7 bn for the year to date.

Money Market Products by Sector

Within the money market segment Money Market SEK (+€0.8 bn) was the best selling sector, followed by Money Market Global (+€0.5 bn) and Money Market CHF (+€0.4 bn). At the other end of the spectrum Money Market EUR (-€13.7 bn) and Money Market GBP (-€2.3 bn) suffered the highest net outflows.

Graph 1: Estimated Net Sales by Asset Type, September 2015 (Euro Billions)



Source: Lipper, a Thomson Reuters company

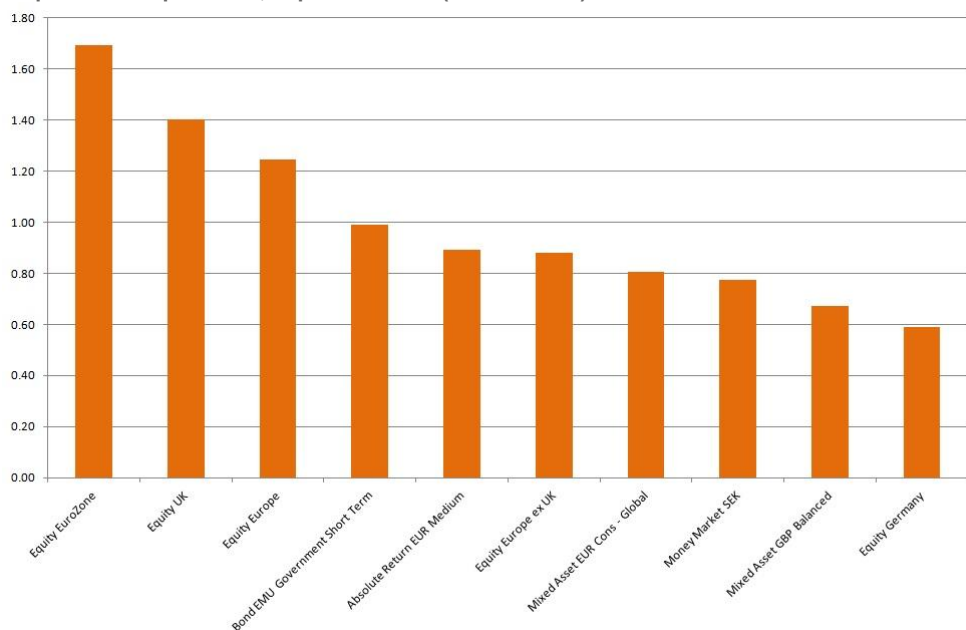


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Fund Flows by Sectors

Within the segment of long-term mutual funds Equity Eurozone (+€1.7 bn) was the best selling sector, followed by Equity UK (+€1.4 bn), Equity Europe (+€1.3 bn), and Bond EMU Government Short-Term (+€1.0 bn) as well as Absolute Return EUR Medium-Term (+€0.9 bn).

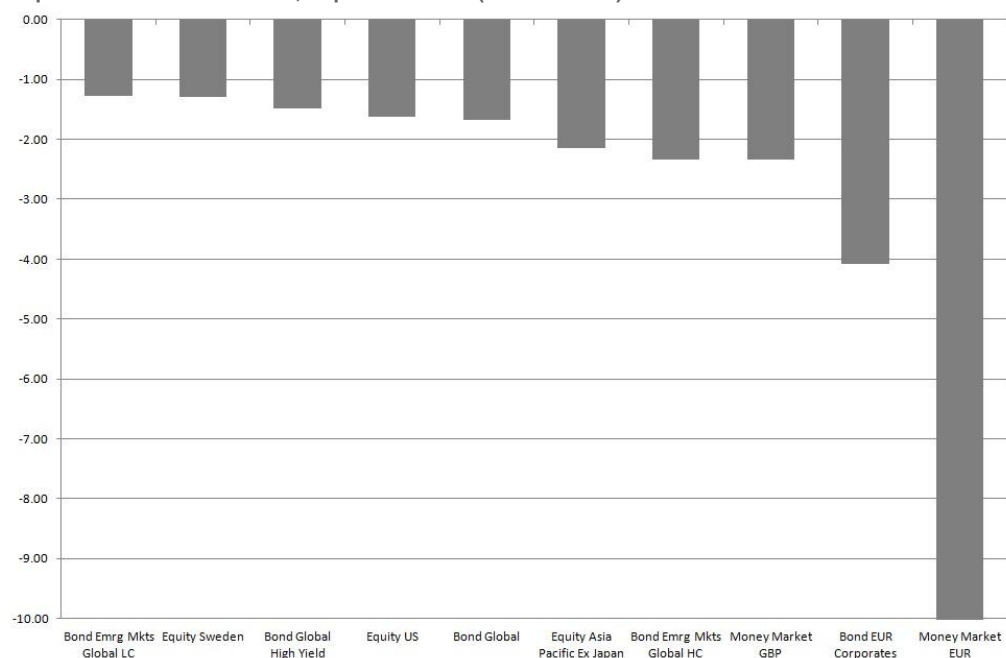
Graph 2: Ten Top Sectors, September 2015 (Euro Billions)



Source: Lipper, a Thomson Reuters company

At the other end of the spectrum Bond EUR Corporates suffered the highest net outflows (-€4.1 bn) from long-term mutual funds, bettered by Bond Emerging Markets Global Hard Currencies (-€2.3 bn) and Equity Asia Pacific ex Japan (-€2.1 bn) as well as Bond Global (-€1.7 bn) and Equity US (-€1.6 bn).

Graph 3: Ten Bottom Sectors, September 2015 (Euro Billions)



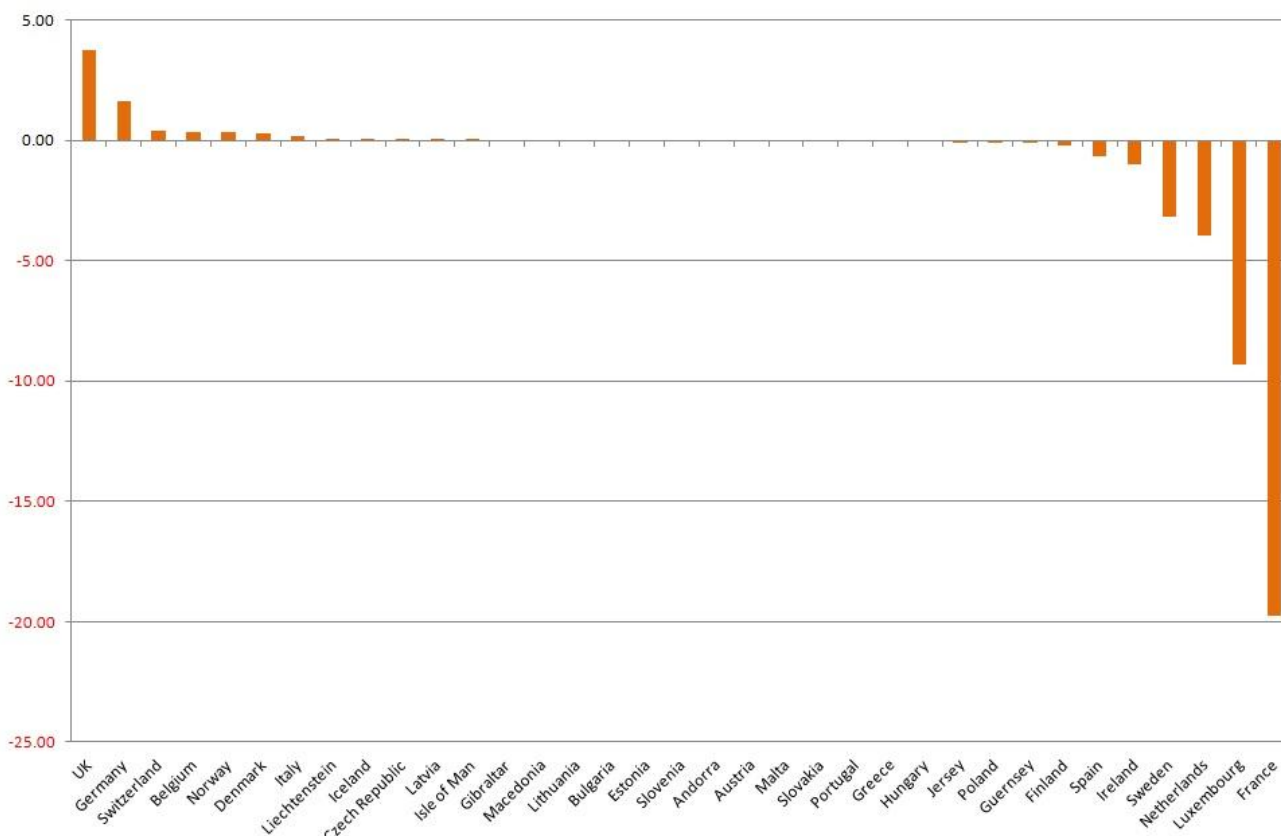
Source: Lipper, a Thomson Reuters company



Fund Flows by Markets

Single fund market flows (including money market products) showed a rather negative picture for September, with only 10 of the 34 markets covered in this report showing net inflows. The United Kingdom (+€3.7 bn), Germany (+€1.7 bn), Switzerland (+€0.4 bn), Belgium (+€0.4 bn), and Norway (+€0.4 bn) were the domiciles with the highest overall net inflows, while France was the single market with the highest net outflows (-€19.8 bn), bettered by Luxembourg (-€9.3 bn) and the Netherlands (-€4.0 bn).

Graph 4: Estimated Net Sales by Country, September 2015 (Euro Billions)



Source: Lipper, a Thomson Reuters company

Within the equity sector funds domiciled in the United Kingdom (+€4.0 bn) led the table for September, followed by those domiciled in Denmark (+€0.4 bn), Switzerland (+€0.3 bn), France (+€0.3 bn), and Finland (+€0.1 bn). Equity funds domiciled in Sweden (-€3.5 bn), Luxembourg (-€2.1 bn), and Germany (-€0.2 bn) stood at the other end of the table.

For bond funds, products domiciled in Germany (+€0.5 bn), followed by funds domiciled in Norway (+€0.4 bn), the Czech Republic (+€0.01 bn), Latvia (+€0.002 bn), and Slovenia (+€0.001 bn) posted estimated net inflows, while all other domiciles faced estimated net flows around zero or net outflows. Luxembourg (-€10.0 bn) was once again the domicile with the highest net outflows from bond funds, bettered by funds domiciled in the Netherlands (-€3.2 bn) and Ireland (-€1.5 bn).

With regard to mixed-asset products Luxembourg (+€0.9 bn) was the domicile with the highest net inflows, followed by funds domiciled in Germany (+€0.6 bn), Italy (+€0.3 bn), Ireland (+€0.2 bn), and Belgium (+€0.2 bn). Despite the general market trend, only 9 of the 34 countries covered in this report showed net outflows from mixed-asset products, with funds domiciled in the United Kingdom showing the highest net outflows (-€1.6 bn), bettered by funds domiciled in Switzerland (-€0.1 bn) and France (-€0.1 bn).



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Fund Flows by Promoters

BlackRock, with net sales of €6.1 bn, was the best selling fund group for September overall, ahead of Standard Life (+€1.4 bn) and Vanguard (+€1.1 bn).

Table 1: Ten Best Selling Groups, September 2015 (Euro Billions)

Promoter	Estimated Net Sales September 2015 (EUR bn)
BlackRock	6.08
Standard Life	1.43
Vanguard Group	1.07
State Street	0.91
Royal London	0.73
Ignis	0.68
Natixis Global Asset Management	0.63
Genesis	0.56
Banque Internationale a Luxembourg	0.51
Generali	0.48

Source: Lipper, a Thomson Reuters company

Considering the single-asset bases, the German Deka (+€0.5 bn) was the best selling promoter of bond funds for September, followed by the Norwegian DNB (+€0.4 bn), Vanguard (+€0.4 bn), Eurizon Capital—the asset management arm of the Italian bank Intessa SanPaolo (+€0.3 bn), and BlackRock (+€0.3 bn). Within the equity space BlackRock (+€1.6 bn) stood at the top of the table, followed by Vanguard (+€0.7 bn), Genesis (+€0.6 bn), and Standard Life (+€0.5 bn) as well as Royal London (+€0.5 bn). BlackRock (+€0.4 bn) was the leading promoter of mixed-asset funds for September, followed by Pioneer Investments (+€0.3 bn), Allianz (+€0.2 bn), and AB (the former AllianceBernstein) (+€0.2 bn) as well as Eurizon Capital (+€0.2 bn).

Best Selling Funds

The ten best selling funds gathered net inflows of €10.3 bn for September. With regard to the overall flows it was surprising that seven of these ten funds were money market products (gathering €7.9 bn). The other three funds among the top ten were two equity funds from the Swedish asset manager Swedbank Robur (gathering €1.7 bn) and one mixed-asset fund (gathering €0.7 bn).

Table 2: Ten Best Selling Funds, September 2015 (Euro Millions)

Fund Name	Asset Type	Estimated Net Sales (in EUR mil.)
BlackRock ICS Inst USD Liq Core Acc	Money Market USD	1734.92
JPM US Dollar Treasury Liquidity Institutional Dis	Money Market USD	1442.64
Natixis Tresorerie IC	Money Market EUR	1225.61
Natixis Tresorerie Plus IC	Money Market EUR	1052.78
BNP Paribas Mois ISR - IC	Money Market EUR	927.33
Swedbank Robur Access Sverige	Equity Sweden	908.60
Ignis Sterling Liquidity 1	Money Market GBP	779.06
BlackRock ICS Inst Sterling Liq Core Acc	Money Market GBP	774.69
Swedbank Robur Access USA	Equity US	765.00
Pioneer SSF Progetto Cedola 09/2020 E Dis EUR	Target Maturity MA EUR 2020	729.26

Source: Lipper, a Thomson Reuters company



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