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EUROPEAN FUND FLOWS REPORT: October 2017

Please attribute the content to Detlef Glow, Head of EMEA Research at Thomson Reuters Lipper and the author of this report.



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EXECUTIVE SUMMARY

October 2017:

Equity funds: European Darlings for October

- October 2017 was the tenth consecutive month showing a positive picture for long-term mutual funds in Europe.
- Equity funds (+€17.8 bn) were the best selling individual asset type for long-term mutual funds for October.
- Money market products (+€19.8 bn) were the asset type with the highest net inflows overall for October.
- The overall net fund flows into mutual funds in Europe stood at €42.9 bn for October and a positive €690.4 bn for 2017 so far.
- Luxembourg (+€28.3 bn) was the fund domicile with the highest net inflows, followed by Ireland (+€17.6 bn), France (+€13.9 bn), the United Kingdom (+€3.4 bn), and Germany (+€3.1 bn).
- Bond Global USD Hedged (+€5.6 bn) was the best selling sector among long-term funds.
- **BlackRock**, with net sales of €8.9 bn, was the best selling fund promoter for October overall, ahead of **JP Morgan** (+€6.5 bn) and **Amundi** (+€6.2 bn).
- The ten best selling long-term funds gathered at the share-class level total net inflows of €9.9 bn for October.
- **Baillie Gifford Managed A Inc** (+€1.9 bn) was the best selling individual long-term fund for October.



EUROPEAN FUND FLOWS, OCTOBER 2017

European Fund-Flow Trends, October 2017

October was the tenth consecutive month showing a positive picture for long-term mutual funds. European fund promoters enjoyed net inflows into equity funds (+€17.8 bn), followed by bond funds (+€15.3 bn), mixed-asset funds (+€9.5 bn), and alternative UCITS funds (+€2.7 bn) as well as real estate funds (+€0.2 bn). Meanwhile, commodity funds (-€0.4 bn) and “other” funds (-€2.2 bn) faced net outflows.

These fund flows added up to overall net inflows of €42.9 bn into long-term investment funds for October. [ETFs contributed €6.6 bn to these inflows.](#)

Money Market Products

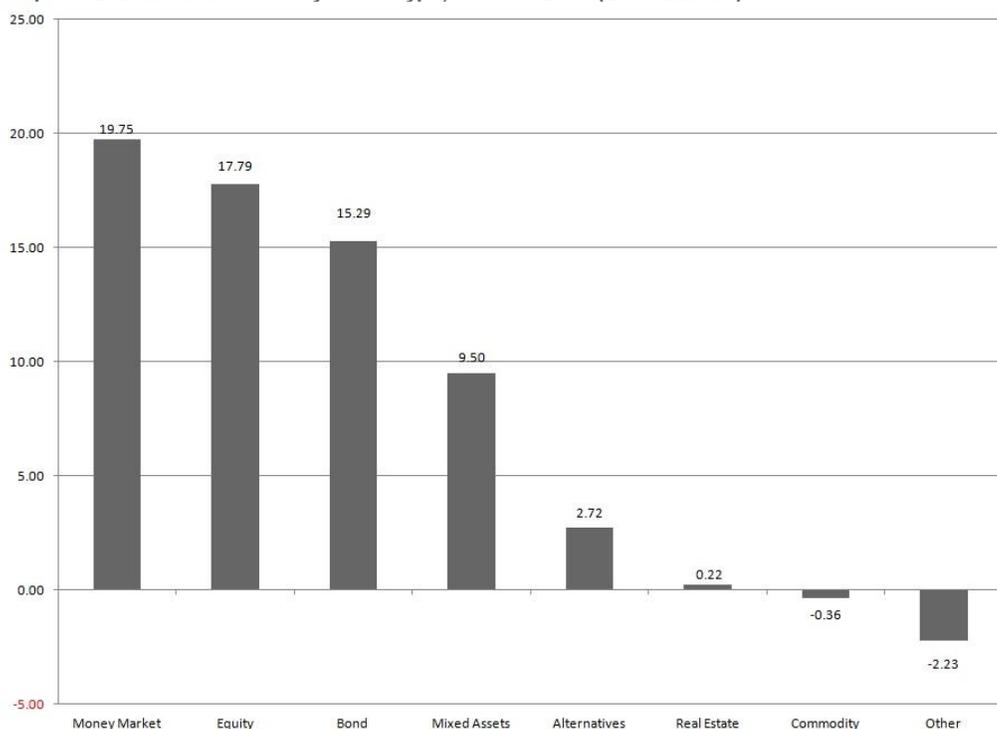
Money market products (+€19.8 bn) were the asset type with the highest net inflows overall for October. Opposite to their actively managed peers ETFs investing in money market instruments posted net outflows of €0.06 bn.

This flow pattern led the overall fund flows to mutual funds in Europe to net inflows of €62.7 bn for October and a positive €690.4 bn for 2017 so far.

Money Market Products by Sector

Money Market EUR (+€13.7 bn) was the best selling sector overall for October, followed by Money Market USD (+€13.5 bn) and Money Market CHF (+€0.3 bn). At the other end of the spectrum Money Market GBP (-€5.1 bn) suffered the highest net outflows overall, bettered by Money Market EUR Leveraged (-€1.4 bn) and Money Market Global (-€0.6 bn). Comparing this flow pattern with the flow pattern for September 2017 showed that European investors bought back into the euro in October and further reduced their holdings in the British pound sterling. These shifts might have been caused by asset allocation decisions as well as for other reasons such as cash dividends or payments, since money market funds are also used by corporations as replacements for cash accounts.

Graph 1: Estimated Net Sales by Asset Type, October 2017 (Euro Billions)



Source: Thomson Reuters Lipper

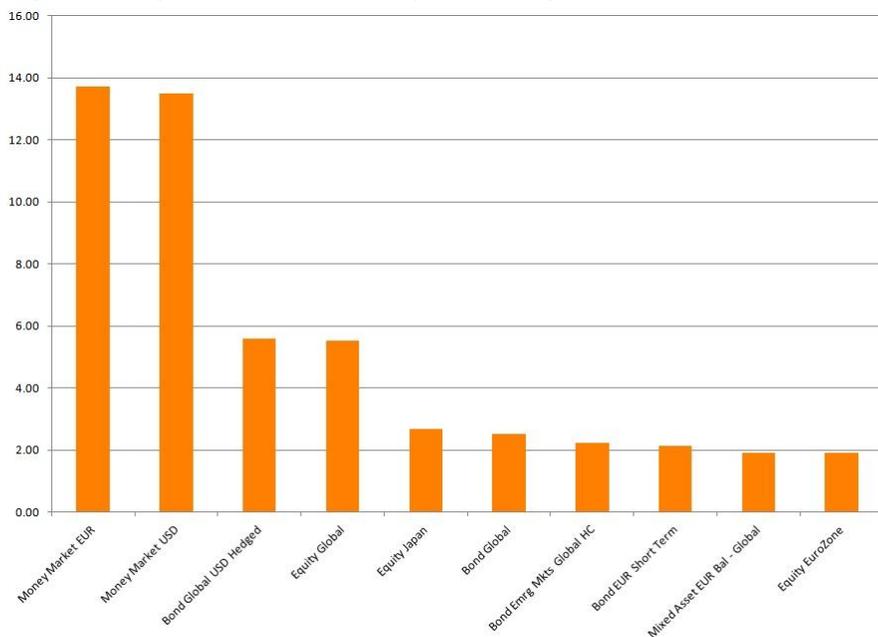


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Fund Flows by Sectors

Within the segment of long-term mutual funds Bond Global USD Hedged (+€5.6 bn) was once again the best selling sector, followed by Equity Global (+€5.5 bn) along with Equity Japan (+€2.7 bn) and Bond Global (+€2.5 bn) as well as Bond Emerging Markets in Hard Currencies (+€2.2 bn).

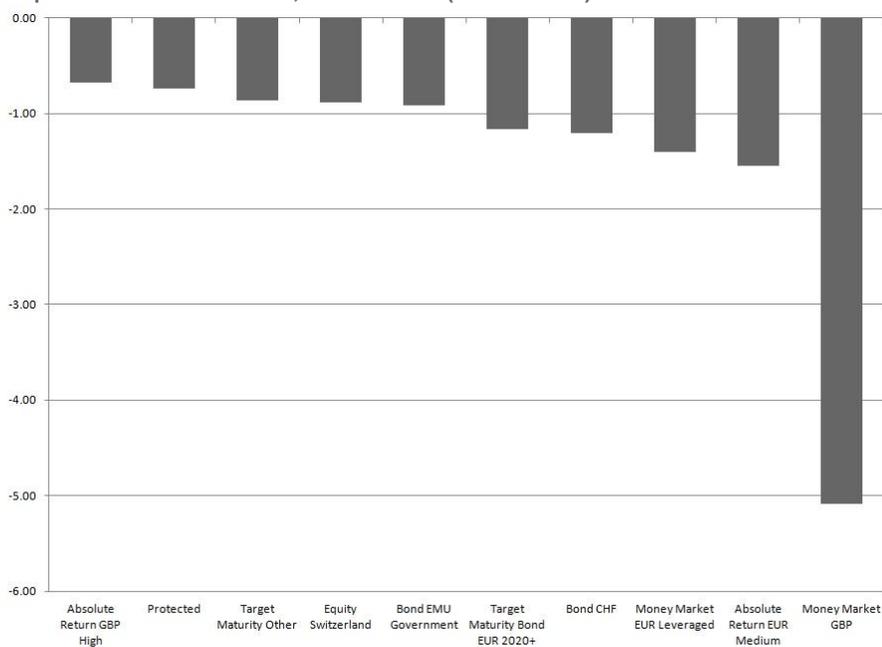
Graph 2: Ten Top Sectors, October 2017 (Euro Billions)



Source: Thomson Reuters Lipper

At the other end of the spectrum Absolute Return EUR Medium (-€1.5 bn) suffered once again the highest net outflows from long-term mutual funds, bettered somewhat by Bond CHF (-€1.2 bn) and Target Maturity Bond 2020+ (-€1.2 bn) as well as Bond EMU Government (-€0.9 bn) and Equity Switzerland (-€0.9 bn).

Graph 3: Ten Bottom Sectors, October 2017 (Euro Billions)



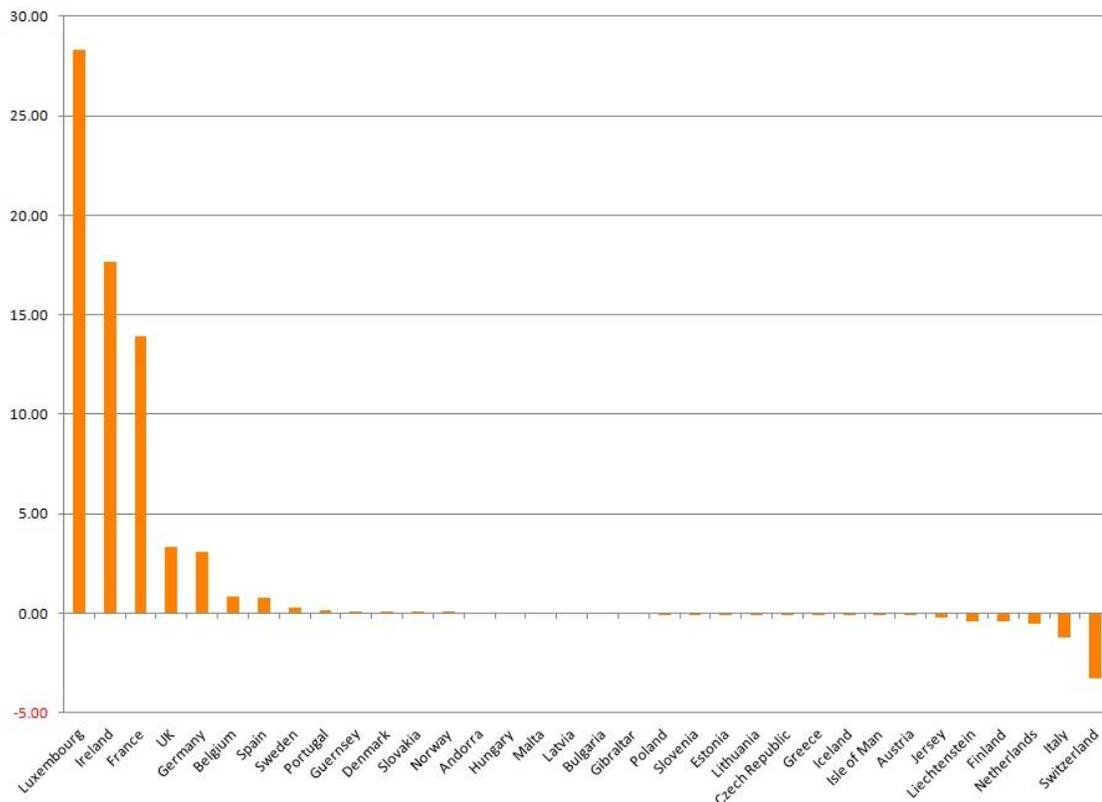
Source: Thomson Reuters Lipper



Fund Flows by Markets (Fund Domiciles)

Single fund domicile flows (including those to money market products) showed in general a positive picture for October, with 19 of the 34 markets covered in this report showing net inflows and 15 showing net outflows. Luxembourg (+€28.3 bn) was the fund domicile with the highest net inflows, followed by Ireland (+€17.6 bn), France (+€13.9 bn), the United Kingdom (+€3.4 bn), and Germany (+€3.1 bn). On the other side of the table Switzerland was the single fund domicile with the highest net outflows (-€3.2 bn), bettered by Italy (-€1.2 bn) and the Netherlands (-€0.5 bn).

Graph 4: Estimated Net Sales by Fund Domiciles, October 2017 (Euro Billions)



Source: Thomson Reuters Lipper

Within the bond sector, funds domiciled in Luxembourg (+€9.4 bn) led the table for October, followed by those domiciled in Ireland (+€7.9 bn), France (+€0.8 bn), the United Kingdom (+€0.4 bn), and Finland (+€0.2 bn). Bond funds domiciled in Switzerland (-€1.3 bn), Spain (-€0.9 bn), and Italy (-€0.5 bn) stood at the other end of the table.

For equity funds, products domiciled in Luxembourg (+€8.6 bn) led the table for October, followed by funds domiciled in Ireland (+€4.1 bn), Germany (+€1.9 bn), and the United Kingdom (+€1.7 bn) as well as Sweden (+€1.2 bn). Meanwhile, Switzerland (-€1.9 bn), Finland (-€0.3 bn), and Liechtenstein (-€0.1 bn) were the domiciles with the highest net outflows from equity funds.

With regard to mixed-asset products Luxembourg (+€4.3 bn) was the domicile with the highest net inflows, followed by funds domiciled in Spain (+€1.4 bn), Germany (+€1.1 bn), Italy (+€1.0 bn), and Ireland (+€0.6 bn). Opposite to this, Jersey (-€0.2 bn), Switzerland (-€0.2 bn), and the Netherlands (-€0.2 bn) were the domiciles with the highest net outflows from mixed-asset funds.

Ireland (+€2.2 bn) was the domicile with the highest net inflows into alternative UCITS funds for October, followed by Luxembourg (+€0.8 bn), France (+€0.6 bn), and Spain (+€0.4 bn) as well as the United Kingdom (+€0.2 bn). Italy (-€1.8 bn), bettered by Liechtenstein (-€0.02 bn) and Malta (-€0.001 bn), stood at the other end of the table.



Fund Flows by Promoters

BlackRock, with net sales of €8.9 bn, was the best selling fund promoter for October overall, ahead of **JP Morgan** (+€6.5 bn) and **Amundi** (+€6.2 bn).

Table 1: Ten Best Selling Promoters, October 2017 (Euro Billions)

Promoter	Estimated Net Sales (EUR bn)
BlackRock	8.85
JPMorgan	6.51
Amundi	6.17
PIMCO	4.77
Morgan Stanley	3.39
BNP Paribas Asset Management	3.01
BFT (Banque de Financement et de Tresorerie)	2.85
Mercer	2.00
Deutsche Bank	1.89
Allianz	1.74

Source: Thomson Reuters Lipper

Considering the single-asset bases, PIMCO (+€4.8 bn) was once again the best selling promoter of bond funds for October, followed by BlackRock (+€2.3 bn), Morgan Stanley (+€1.4 bn), and Amundi (+€1.1 bn) as well as AB (+€1.1 bn).

Within the equity space BlackRock (+€2.4 bn) once again stood at the head of the table for October, followed by Deutsche Bank (+€1.7 bn), Mercer (+€1.2 bn), and Union Investment (+€1.1 bn) as well as Fidelity (+€0.9 bn).

BBVA (+€1.1 bn) was the leading promoter of mixed-asset funds in Europe for October, followed by JP Morgan (+€1.0 bn), Eurizon Capital (+€0.7 bn), and Allianz (+€0.6 bn) as well as Invesco (+€0.6 bn).

GAM (+€0.9 bn) was once again the leading promoter of alternatives funds for the month, followed by Aviva (+€0.8 bn), Old Mutual (+€0.5 bn), and Payden&Rygel (+€0.4 bn) as well as H2O Asset Management (+€0.3 bn).

Best Selling Funds

The ten best selling long-term funds gathered at the share-class level total net inflows of €9.9 bn for October. Since equity funds dominated the overall sales numbers, it was not surprising that equity funds (+€4.9 bn) also dominated the sales table for the ten top single funds, followed by mixed-asset funds (+€3.6 bn) and bond funds (+€0.7 bn) as well as alternative UCITS funds (+€0.7 bn).

Table 2: Ten Best Selling Long-Term Funds, October 2017 (Euro Millions)

Fund Name	ISIN	Lipper Global Classification	Estimated Net Sales (in EUR mil.)
Baillie Gifford Managed A Inc	GB0006002397	Mixed Asset GBP Aggressive	1938.61
Plato Institutional Index Fd World Inst B Shs	BE6295957755	Equity Global	1287.03
M&G Optimal Income A Inc	GB00B1H05049	Mixed Asset GBP Conservative	1028.67
Aviva Investors European Equity Fund Za GBP D	LU1609028680	Equity Europe	1001.17
MGI Global Equity M2 USD	IE00B7G8GX15	Equity Global	892.41
UniGlobal	DE0008491051	Equity Global	850.78
Plato Institutional Index Fd EuroEqty Inst B Shs	BE6294795776	Equity EuroZone	828.57
PIMCO GIS Income Inst EUR Hdg Acc	IE00B80G9288	Bond Global USD Hedged	733.72
Aviva Investors Multi-Strategy Target Return 3 Acc	GB00BMTRW439	Absolute Return GBP Low	694.69
Quality Inversion Conservadora, FI	ES0172273007	Mixed Asset EUR Cons - Global	659.47

Source: Thomson Reuters Lipper



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For more information, please contact our Thomson Reuters Lipper Research Team:

Detlef Glow

Head of Lipper EMEA Research
Phone: +49(69) 75651318
detlef.glow@thomsonreuters.com

Robert Jenkins

Global Head of Research, Lipper
Phone: +1 (617) 856-1209
robert.jenkins@thomsonreuters.com

Xav Feng

Head of Lipper Asia Pacific Research
Phone: +886 935577847
xav.feng@thomsonreuters.com

Otto Christian Kober

Global Head of Methodology, Lipper
Phone: +41 (0)58 306 7594
otto.kober@thomsonreuters.com

Jake Moeller

Head of Lipper United Kingdom & Ireland
Research
Phone: +44(20) 75423218
jake.moeller@thomsonreuters.com

Tom Roseen

Head of Research Services
Phone: +1 (303) 357-0556
tom.roseen@thomsonreuters.com

Media enquiries:

Eddie Dunthorne
Eddie.dunthorne@thomsonreuters.com

Lipper U.S. Client Services

+1 877 955 4773
customers.reuters.com/cimcontactus/support.asp

Lipper Europe Client Services

(UK) 0845 600 6777
(Europe) +44207 542 8033
customers.reuters.com/cimcontactus/support.asp

Lipper Asia Client Services

+886 2 2500 4806
customers.reuters.com/cimcontactus/support.asp

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