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EUROPEAN FUND FLOWS REPORT: November 2017

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EXECUTIVE SUMMARY

November 2017: Bond funds dominate European fund flows

- November 2017 was the eleventh consecutive month showing a positive picture for long-term mutual funds in Europe.
- Bond funds (+€18.0 bn) were the best selling individual asset type for long-term mutual funds for November.
- Money market products (-€1.3 bn) were the asset type with the highest net outflows overall for November.
- The overall net fund flows into mutual funds in Europe stood at €28.8 bn for November and a positive €737.6 bn for 2017 so far.
- Bond Global USD Hedged (+€4.1 bn) was once again the best selling sector among long-term funds.
- Luxembourg (+€20.2 bn) was the fund domicile with the highest net inflows, followed by Ireland (+€17.9 bn), Sweden (+€2.8 bn), Germany (+€2.4 bn), and the United Kingdom (+€2.1 bn).
- **Pimco**, with net sales of €5.4 bn, was the best selling fund promoter for November overall, ahead of **BlackRock** (+€5.2 bn) and **Handelsbanken** (+€3.5 bn).
- The ten best selling long-term funds gathered at the share-class level total net inflows of €9.7 bn for November.
- **Handelsbanken Multi Asset 25 (A1)** (+€1.6 bn) was the best selling individual long-term fund for November.



EUROPEAN FUND FLOWS, NOVEMBER 2017

European Fund-Flow Trends, November 2017

November was the eleventh consecutive month showing a positive picture for long-term mutual funds. European fund promoters enjoyed net inflows into bond funds (+€18.0 bn), followed by equity funds (+€7.1 bn), alternative UCITS funds (+€2.4 bn), mixed-asset funds (+€1.7 bn), and real estate funds (+€0.7 bn) as well as commodity funds (+€0.6 bn). Meanwhile “other” funds (-€0.4 bn) faced net outflows.

These fund flows added up to overall net inflows of €30.1 bn into long-term investment funds for November. ETFs contributed €6.6 bn to these inflows.

Money Market Products

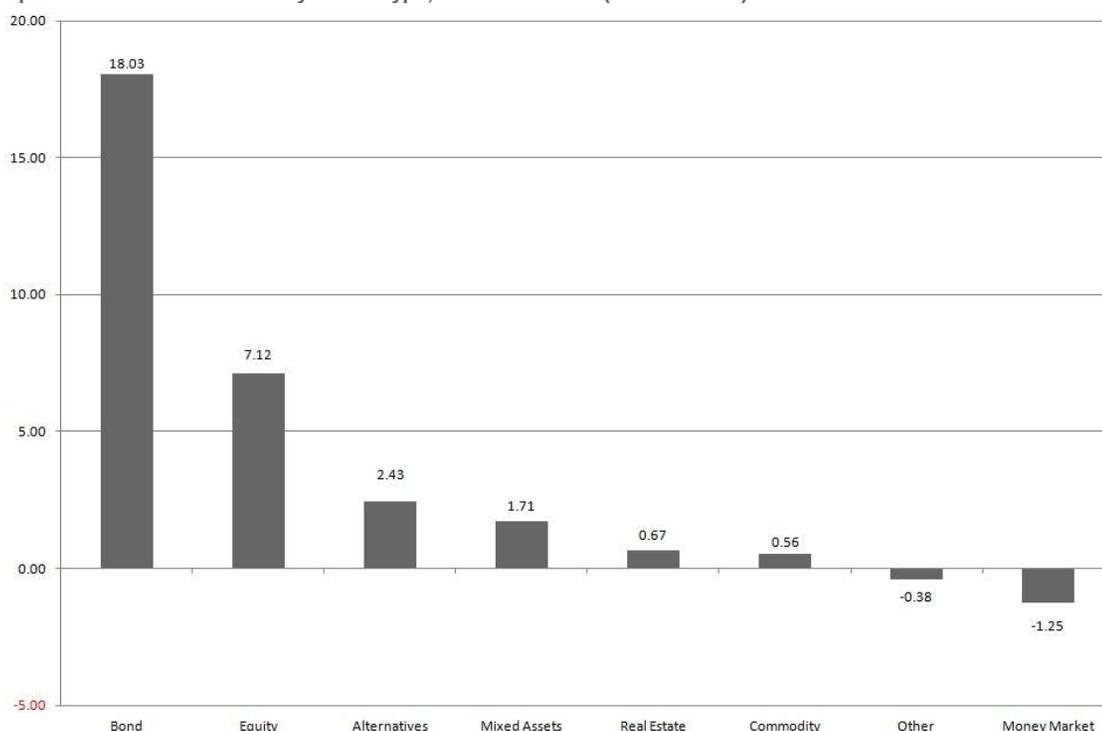
Money market products (-€1.3 bn) were the asset type with the highest net outflows overall for November. In line with their actively managed peers ETFs investing in money market instruments posted net outflows of €0.2 bn.

This flow pattern led the overall fund flows to mutual funds in Europe to net inflows of €28.8 bn for November and a positive €737.6 bn for 2017 so far.

Money Market Products by Sector

Money Market GBP (+€1.5 bn) was the best selling money market sector for November, followed by Money Market EUR Leveraged (+€0.4 bn) and Money Market Other (+€0.01 bn). At the other end of the spectrum Money Market USD (-€2.1 bn) suffered the highest net outflows overall, bettered by Money Market EUR (-€0.4 bn) and Money Market SEK (-€0.3 bn). Comparing this flow pattern with the flow pattern for October 2017 showed that European investors bought back into the British pound sterling in November while reducing their holdings in the U.S. dollar. 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, November 2017 (Euro Billions)



Source: Thomson Reuters Lipper

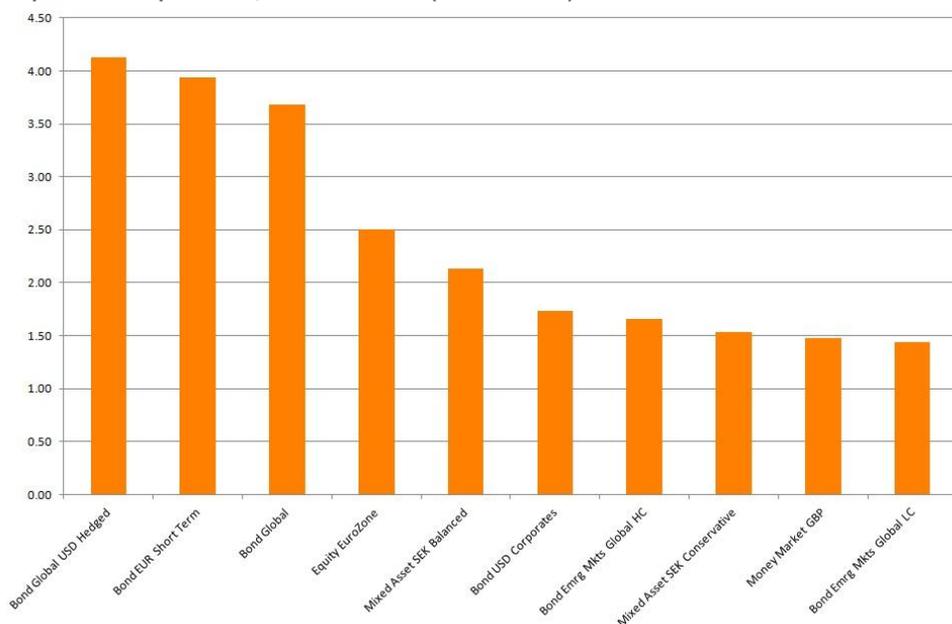


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Fund Flows by Sectors

Within the segment of long-term mutual funds Bond Global USD Hedged (+€4.1 bn) was once again the best selling sector, followed by Bond EUR Short Term (+€3.9 bn) along with Bond Global (+€3.7 bn) and Equity Eurozone (+€2.5 bn) as well as Mixed Asset SEK Balanced (+€2.1 bn).

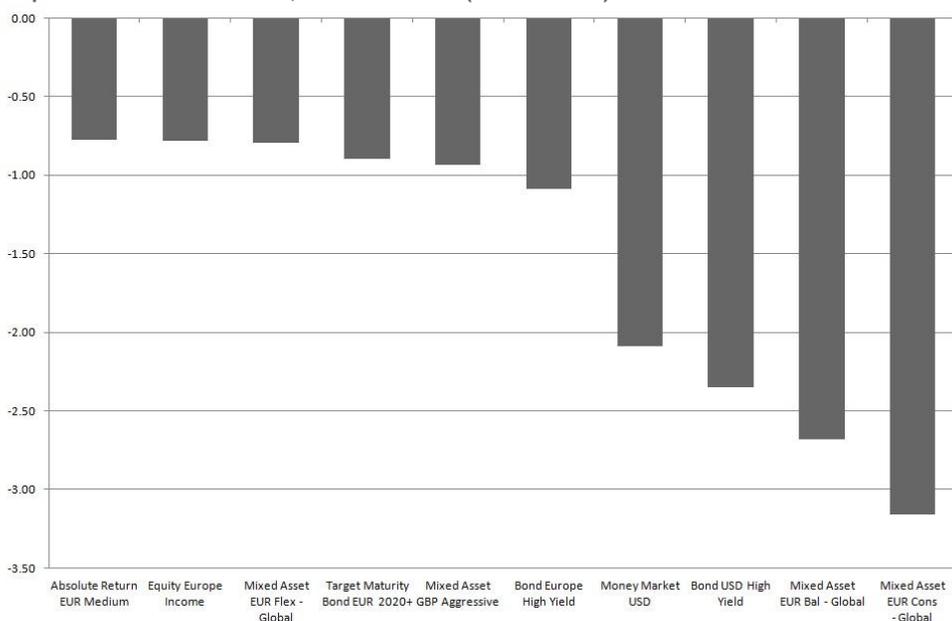
Graph 2: Ten Top Sectors, November 2017 (Euro Billions)



Source: Thomson Reuters Lipper

At the other end of the spectrum Mixed Asset EUR Conservative-Global (-€3.2 bn) suffered the highest net outflows from long-term mutual funds, bettered somewhat by Mixed Asset EUR Balanced-Global (-€2.7 bn) and Bond USD High Yield (-€2.4 bn) as well as Bond Europe High Yield (-€1.1 bn) and Mixed Asset GBP Aggressive (-€0.9 bn).

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



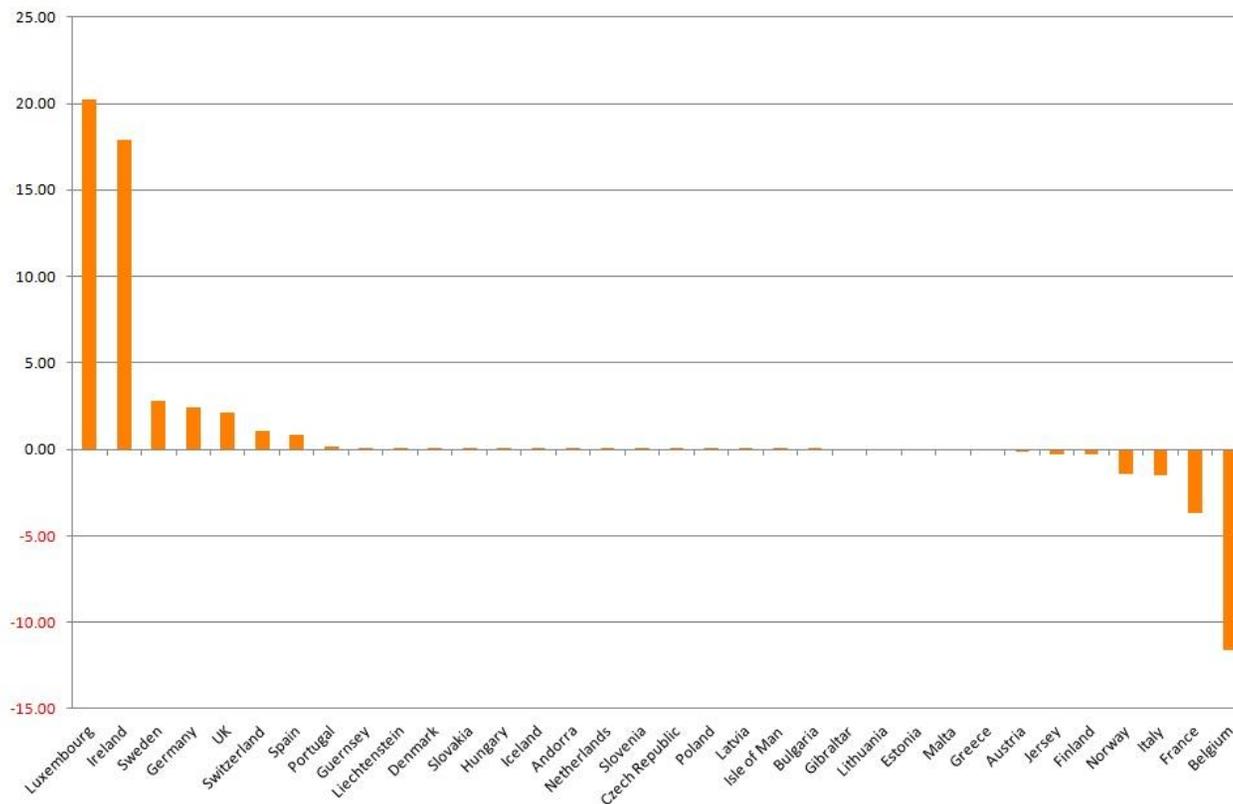
Source: Thomson Reuters Lipper



Fund Flows by Markets (Fund Domiciles)

Single fund domicile flows (including those to money market products) showed in general a positive picture for November, with 22 of the 34 markets covered in this report showing net inflows and 12 showing net outflows. Luxembourg (+€20.2 bn) was the fund domicile with the highest net inflows, followed by Ireland (+€17.9 bn), Sweden (+€2.8 bn), Germany (+€2.4 bn), and the United Kingdom (+€2.1 bn). On the other side of the table Belgium was the single fund domicile with the highest net outflows (-€11.6 bn), bettered by France (-€3.7 bn) and Italy (-€1.5 bn).

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



Source: Thomson Reuters Lipper

Within the bond sector, funds domiciled in Ireland (+€7.9 bn) led the table for November, followed by those domiciled in Luxembourg (+€7.7 bn), Switzerland (+€2.0 bn), France (+€1.8 bn), and Germany (+€0.4 bn). Bond funds domiciled in Norway (-€1.3 bn), Sweden (-€0.6 bn), and Italy (-€0.4 bn) stood at the other end of the table.

For equity funds, products domiciled in Luxembourg (+€6.1 bn) led the table for November, followed by funds domiciled in Ireland (+€2.0 bn), Germany (+€1.4 bn), and the United Kingdom (+€0.7 bn) as well as France (+€0.5 bn). Meanwhile, Switzerland (-€1.7 bn), Finland (-€0.4 bn), and Sweden (-€0.3 bn) were the domiciles with the highest net outflows from equity funds.

With regard to mixed-asset products Luxembourg (+€4.1 bn) was the domicile with the highest net inflows, followed by funds domiciled in Sweden (+€3.8 bn), Spain (+€2.2 bn), Switzerland (+€0.9 bn), and Ireland (+€0.5 bn). Opposite to this, Belgium (-€10.9 bn), Jersey (-€0.3 bn), and the Netherlands (-€0.2 bn) were the domiciles with the highest net outflows from mixed-asset funds.

Ireland (+€2.0 bn) was the domicile with the highest net inflows into alternative UCITS funds for November, followed by Luxembourg (+€0.9 bn), France (+€0.3 bn), and Spain (+€0.2 bn) as well as the United Kingdom (+€0.2 bn). Italy (-€1.4 bn), bettered by Malta (-€0.02 bn) and Guernsey (-€0.02 bn), stood at the other end of the table.



Fund Flows by Promoters

Pimco, with net sales of €5.4 bn, was the best selling fund promoter for November overall, ahead of **BlackRock** (+€5.2 bn) and **Handelsbanken** (+€3.5 bn).

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

Promoter	Estimated Net Sales (EUR bn)
PIMCO	5.42
BlackRock	5.19
Handelsbanken	3.49
Legal & General	3.09
Amundi	2.73
UBS	1.95
Fisch Asset Management	1.92
Union Investment	1.88
HSBC	1.87
Morgan Stanley	1.54

Source: Thomson Reuters Lipper

Considering the single-asset bases, PIMCO (+€5.1 bn) was once again the best selling promoter of bond funds for November, followed by BlackRock (+€2.6 bn), Fisch Asset Management (+€1.8 bn), and Amundi (+€1.3 bn) as well as Credit Suisse (+€1.2 bn).

Within the equity space Deutsche Bank (+€2.1 bn) stood at the head of the table for November, followed by BlackRock (+€1.9 bn), Amundi (+€0.9 bn), and Vanguard Group (+€0.9 bn) as well as Societe Generale (+€0.8 bn).

Handelsbanken (+€3.7 bn) was the leading promoter of mixed-asset funds in Europe for November, followed by JP Morgan (+€0.9 bn), BBVA (+€0.9 bn), and Fund Partner Solutions (+€0.7 bn) as well as Allianz (+€0.6 bn).

GAM (+€0.7 bn) was once again the leading promoter of alternatives funds for the month, followed by Schroders (+€0.6 bn), H2O Asset Management (+€0.4 bn), and Old Mutual (+€0.4 bn) as well as Bank of America Merrill Lynch (+€0.3 bn).

Best Selling Funds

The ten best selling long-term funds gathered at the share-class level total net inflows of €9.7 bn for November. Since bond funds dominated the overall sales numbers, it was not surprising that bond funds (+€5.2 bn) also dominated the sales table for the ten top single funds, followed by mixed-asset funds (+€3.7 bn) and equity funds (+€0.8 bn).

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

Fund Name	ISIN	Lipper Global Classification	Estimated Net Sales (in EUR mil.)
Handelsbanken Multi Asset 25 (A1)	SE0005851318	Mixed Asset SEK Conservative	1578.98
Handelsbanken Multi Asset 40 (A1)	SE0009697113	Mixed Asset SEK Balanced	1396.45
BGF Euro Short Duration Bond I2 EUR	LU0468289250	Bond EUR Short Term	1121.00
FISCH Bond EM Corporates Defensive Fund MC	LU1662787081	Bond Emerging Markets Global Corporates	990.34
PIMCO GIS Income Inst EUR Hdg Acc	IE00B80G9288	Bond Global USD Hedged	835.50
Uninstitutional Euro Reserve Plus EUR	DE000A1C81J5	Bond Europe	832.06
Robeco QI Institutional Global Dev Conserv Eqs T1	NL0012375083	Equity Global	809.72
Amundi 6 M - I - EUR (C/D)	FR0007032990	Bond EUR Short Term	730.09
PIMCO GIS Income Inst USD Acc	IE00B87KCF77	Bond Global USD Hedged	701.38
TURICUM aktien und Immobilienwertschriften	CH0267439187	Mixed Asset CHF Balanced	693.80

Source: Thomson Reuters Lipper



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