

REFINITIV

EUROPEAN FUND FLOWS REPORT:

April 2019

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

EXECUTIVE SUMMARY

April 2019: European Investors shy away from mutual funds

- April 2019 was the twelfth consecutive month with net outflows from long-term mutual funds after 16 consecutive months with net inflows.
- The overall fund flows for mutual funds in Europe amounted to net outflows of €14.7 bn for April.
- Bond funds (+€7.6 bn) were the best-selling individual asset type overall for April.
- Bond Global USD hedged (+€3.0 bn) was again the best-selling sector among long-term funds for April.
- France (+16.4 bn)—driven by money market products (+€19.3 bn)—was the fund domicile with the highest net inflows, followed by Ireland (+€6.4 bn), and Denmark.
- **BNP Paribas Asset Management** was the best-selling fund promoter for April overall—driven by money market products (+€5.3 bn)—with net sales of €3.8 bn, ahead of **PIMCO** (+€3.8 bn) and **AXA** (+€3.3 bn— driven by money market products +€3.2 bn).
- The ten best-selling long-term funds gathered at the share-class level total net inflows of €7.9 bn for April.
- **GAM Credit Opportunities (GBP) Inst Acc** (+€1.1 bn) was the best selling individual long-term fund for April.

EUROPEAN FUND FLOWS, APRIL 2019

European Fund-Flow Trends, April 2019

The negative fund flows trend in Europe continued in April as the securities markets showed a volatile, but positive, trend. As a consequence, April was the twelfth month in a row long-term mutual funds posted net outflows after 16 consecutive months of net inflows. Taking the current interest rate environment into account, it was surprising that bond funds (+€7.6 bn) were once again the best-selling asset type in the segment of long-term mutual funds, followed by real estate funds (+€0.2 bn) and commodity funds (+€0.1 bn). All other asset types faced outflows: equity funds (-€21.0 bn), alternative UCITS funds (-€8.7 bn), mixed-asset funds (-€3.2 bn), and “other” funds (-€0.6 bn).

These fund flows added up to overall net outflows of €25.7 bn from long-term investment funds for April. [ETFs contributed inflows of €3.7 bn to these flows.](#)

Money Market Products

The current market environment led European investors to buy money market products. As a result, money market funds witnessed net inflows of €11.0 bn for April. ETFs investing in money market instruments contributed net inflows of €0.01 bn to the total.

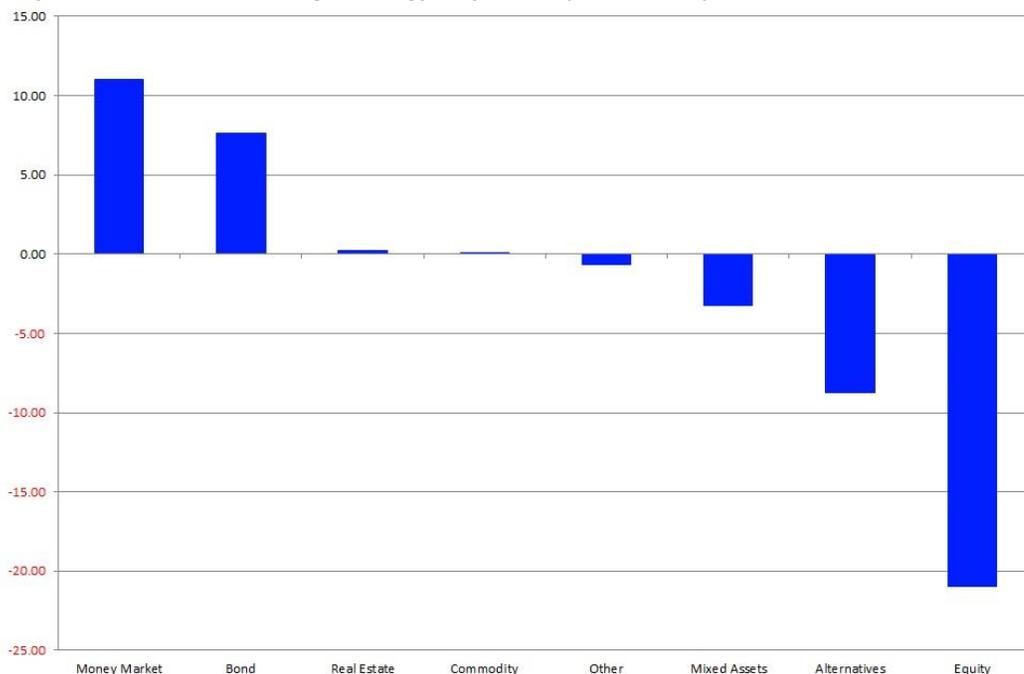
This flow pattern led the overall fund flows experienced by mutual funds in Europe to overall net outflows of €14.7 bn for April, and outflows of €73.0 bn for 2019 year to date.

Money Market Products by Sector

Money Market EUR (+€12.3 bn), and Money Market USD (+€3.9 bn) were the leading sectors overall. Within the money market segment, they were followed by Money Market Global (+€0.2 bn), Money Market NOK (+€0.1 bn), and Money Market CZK (+€0.1 bn). At the other end of the spectrum, Money Market GBP (-€4.5 bn) suffered the highest net outflows overall, bettered by Money Market EUR Leveraged (-€0.6 bn) and Money Market CHF (-€0.4 bn).

Comparing this flow pattern with the flow pattern for March showed European investors reduced their positions in the British pound sterling and rebuilt their positions in the euro and the U.S. dollar. These shifts might have been caused by asset allocation decisions, as well as other reasons, such as for cash dividends or cash payments since money market funds are also used by corporations as replacements for cash accounts.

Graph 1: Estimated Net Sales by Asset Type, April 2019 (Euro Billions)

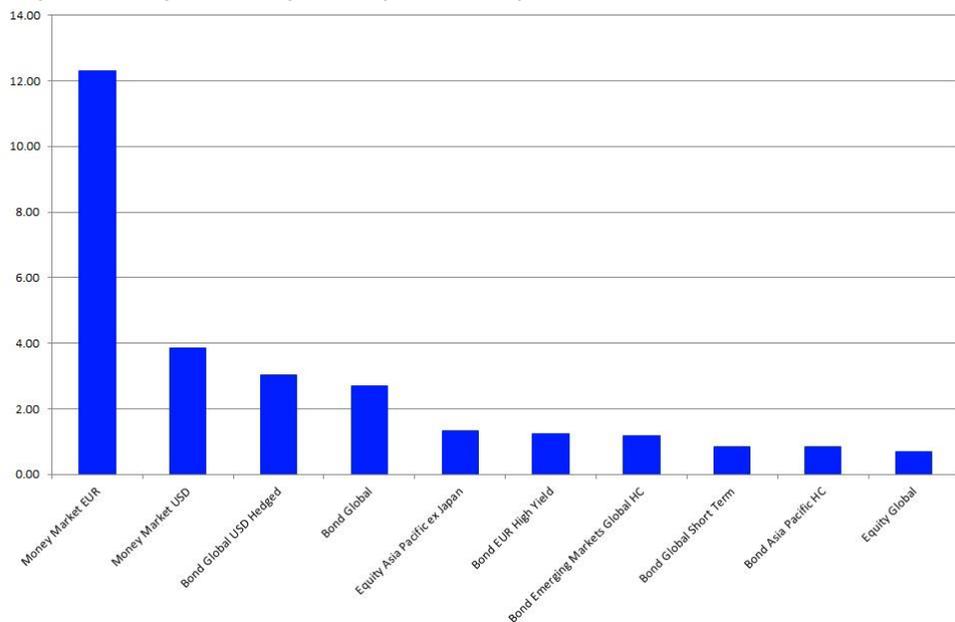


Source: Lipper from Refinitiv

Fund Flows by Sectors

Within the segment of long-term mutual funds, Bond Global USD Hedged (+€3.0 bn) was again the best-selling sector, followed by Bond Global (+€2.7 bn). Equity Asia Pacific ex Japan (+€1.3 bn) was the third best-selling long-term sector, followed by Bond EUR High Yield (+€1.2 bn) and Bond Emerging Markets Global in Hard Currencies (+€1.2 bn).

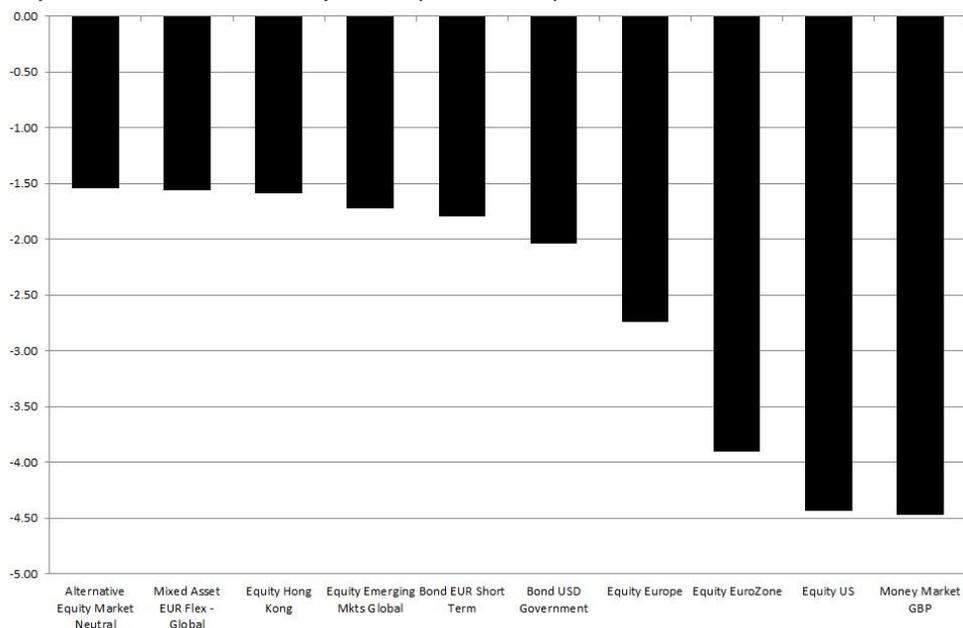
Graph 2: Ten Top Sectors, April 2019 (Euro Billions)



Source: Lipper from Refinitiv

At the other end of the spectrum, Equity US (-€4.4 bn) suffered the highest net outflows from long-term mutual funds, bettered by Equity Eurozone (-€3.9 bn), Equity Europe (-€2.7 bn), Bond USD Government (-€2.0 bn), and Bond EUR Short Term (-€1.8 bn).

Graph 3: Ten Bottom Sectors, April 2019 (Euro Billions)

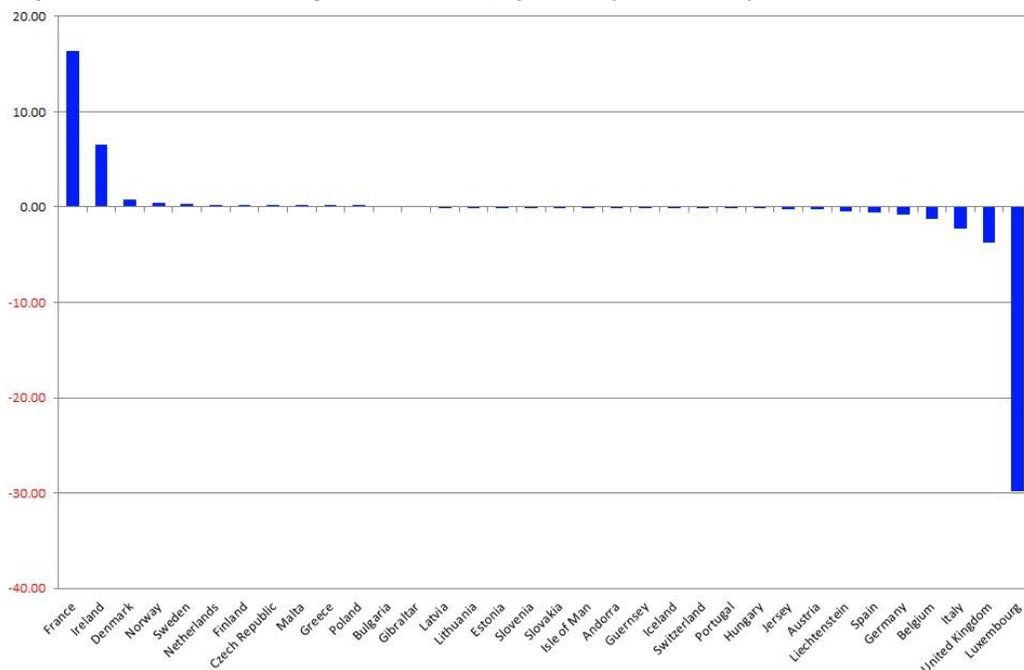


Source: Lipper from Refinitiv

Fund Flows by Markets (Fund Domiciles)

Single-fund domicile flows (including those to money market products) showed, in general, a negative picture for April, with only 13 of the 34 markets covered in this report showing net inflows and 21 showing net outflows. France (+16.4 bn)—driven by money market products (+€19.3 bn)—was the fund domicile with the highest net inflows, followed by Ireland (+€6.4 bn), Denmark (+€0.8 bn), Norway (+€0.4 bn), and Sweden (+€0.2 bn). On the other side of the table, Luxembourg (-€29.7 bn) was the fund domicile with the highest outflows, bettered by the United Kingdom (-€3.7 bn) and Italy (-€2.2 bn).

Graph 4: Estimated Net Sales by Fund Domiciles, April 2019 (Euro Billions)



Source: Lipper from Refinitiv

Within the bond sector, funds domiciled in Ireland (+€8.8 bn) led the table, followed by France (+€0.7 bn), Switzerland (+€0.6 bn), the United Kingdom (+€0.5 bn), and Spain (+€0.3 bn). Bond funds domiciled in Luxembourg (-€2.4 bn), Italy (-€0.7 bn), and Liechtenstein (-€0.3 bn) were at the other end of the table.

For equity funds, products domiciled in Belgium (+€0.6 bn) led the table for April, followed by funds domiciled in Denmark (+€0.6 bn), Sweden (+€0.6 bn), the Netherlands (+€0.3 bn), and Norway (+€0.1 bn). Meanwhile, Luxembourg (-€14.4 bn), the United Kingdom (-€3.8 bn), and France (-€2.6 bn) were the domiciles with the highest net outflows from equity funds.

In regard to mixed-asset products, Ireland (+€0.3 bn) was the domicile with the highest net inflows, followed by funds domiciled in Spain (+€0.3 bn), Switzerland (+€0.2 bn), Denmark (+€0.1 bn), and Portugal (+€0.01 bn). In contrast, Luxembourg (-€1.5 bn), Italy (-€1.2 bn), and France (-€0.7 bn) were the domiciles with the highest net outflows from mixed-asset funds.

Malta (+€0.03 bn) was the domicile with the highest net inflows into alternative UCITS funds for April, followed by Denmark (+€0.03 bn), Germany (+€0.02 bn), the Netherlands (+€0.01 bn), and Switzerland (+€0.01 bn). Meanwhile, Luxembourg (-€5.3 bn), Ireland (-€1.1 bn), and the United Kingdom (-€1.0 bn) were at the other end of the table.

Fund Flows by Promoters

BNP Paribas Asset Management was the best-selling fund promoter for April overall—driven by money market products (+€5.3 bn)—with net sales of €3.8 bn, ahead of **PIMCO** (+€3.8 bn) and **AXA** (+€3.3 bn—driven by money market products +€3.2 bn).

Table 1: Ten Best-Selling Promoters, April 2019 (Euro Billions)

Promoter	Estimated Net Sales (EUR bn)
BNP Paribas Asset Management	3.78
PIMCO	3.78
AXA	3.27
Natixis	2.81
BFT	2.27
BlackRock	2.10
Groupama	1.84
DWS Group	1.66
Vanguard Group	1.26
AllianceBernstein	1.21

Source: Lipper from Refinitiv

Considering the single-asset classes, PIMCO (+€3.7 bn) was the best-selling promoter of bond funds, followed by AB (+€1.4 bn), BlackRock (+€1.3 bn), Vanguard Group (+€1.1 bn), and Legal & General (+€0.8 bn).

Within the equity space, KBC (+€0.7 bn) led the table, followed by Jyske Invest (+€0.7 bn), DWS Group (+€0.7 bn), Handelsbanken (+€0.6 bn), and Morgan Stanley (+€0.5 bn).

Schroders (+€0.3 bn) was the leading promoter of mixed-asset funds in Europe, followed by Union Investment (+€0.2 bn), Flossbach von Storch (+€0.2 bn), La Caixa (+€0.2 bn), and JP Morgan (+€0.2 bn).

Societe Generale (+€0.3 bn) was the leading promoter of alternative UCITS funds for the month, followed by Flossbach von Storch (+€0.2 bn), Mercer (+€0.1 bn), Blackstone (+€0.1 bn), and Payden & Rygel (+€0.1 bn).

Best-Selling Funds

The 10 best-selling long-term funds gathered at the share-class level total net inflows of €7.9 bn for April. Opposite to the general fund flows trend, equity funds dominated the ranking of the asset types with regard to the 10 best-selling funds (+€4.6 bn), followed by bond funds (+€2.2 bn) and alternative UCITS funds (+€1.1 bn).

Table 2: Ten Best-Selling Long-Term Funds, April 2019 (Euro Millions)

Fund Name	ISIN	Lipper Global Classification	Estimated Net Sales (in EUR mil.)
GAM Credit Opportunities (GBP) Inst Acc	GB00BYQJ5G92	Alternative Credit Focus	1090.68
Nikko Listed IDX Fund TOPIX	JP3039100007	Equity Japan	946.42
BGF Continental European Flexible D2 USD	LU1984140423	Equity Europe ex UK	847.57
Kolumban I - Obligationen Schweiz A	CH0468351561	Bond CHF	755.20
iShares High Yield Corp Bond UCITS ETF EUR(Dist)	IE00B66F4759	Bond EUR High Yield	739.35
First Trust Utilities AlphaDEX Fund	US33734X1845	Equity Sector Utilities	722.01
Swedbank Robur Access Sverige	SE0007074075	Equity Sweden	720.12
Swedbank Robur Access Global	SE0007074059	Equity Global	705.04
iShares JP Morgan EM Local Gov Bond UCITS ETF	IE00B5M4WH52	Bond Emerging Markets Global	687.53
Mercer Passive Global REITS UCITS CCF Z1 USD	IE00BJ0M3W11	Equity Sector Real Est Global	647.95

Source: Lipper from Refinitiv

For more information, please contact our Lipper Research Team:

Detlef Glow

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

Robert Jenkins

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

Xav Feng

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

Otto Christian Kober

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

Jake Moeller

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

Tom Roseen

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

Media enquiries:

George Doel
george.doel@refinitiv.com

Lipper U.S. Client Services

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

Lipper Europe Client Services

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

Lipper Asia Client Services

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

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