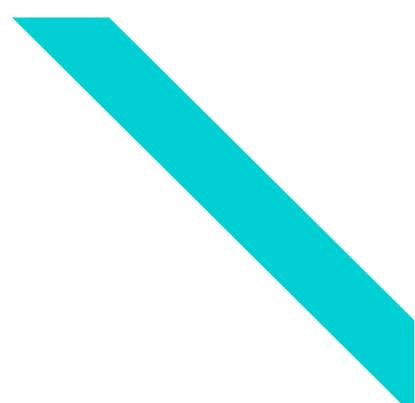


EUROPEAN FUND FLOW REPORT: **OCTOBER 2021**

Author:

Detlef Glow

Head of Lipper EMEA Research, Refinitiv



Executive Summary

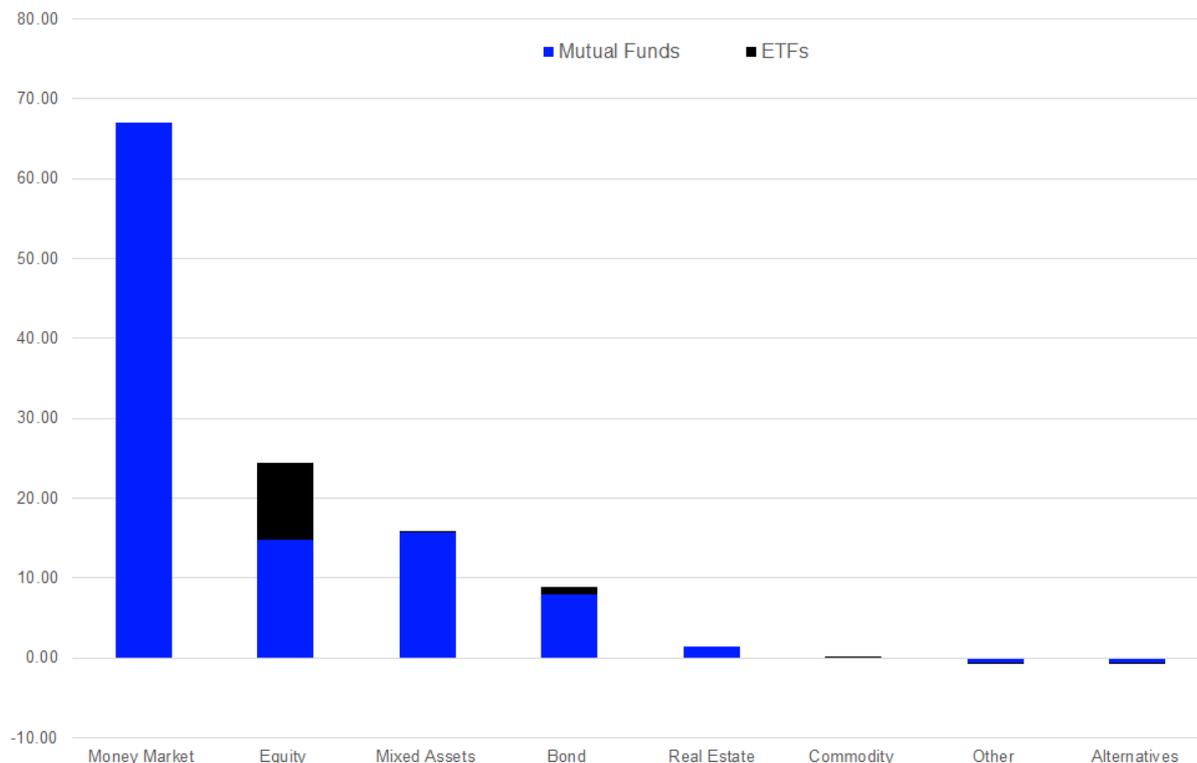
- Long-term mutual funds (+€49.2 bn) posted net inflows for October 2021.
- Money market products (+€66.9 bn) posted net inflows for October 2021.
- The overall fund flows for mutual funds and ETFs in Europe in October amounted to estimated net inflows of €116.0 bn.
- Money market funds (+€67.0 bn) were the best-selling asset type overall for October 2021.
- Equity Global (+€12.9 bn) was once again the best-selling sector among long-term funds.
- Ireland (+€34.8 bn) was the fund domicile with the highest net inflows, followed by France (+€32.4 bn) and Luxembourg (+€28.0 bn).
- BlackRock (+€18.3 bn) was the best-selling fund promoter in Europe for October, ahead of Amundi (+€12.5 bn), and JPMorgan (+€9.7 bn).

European Fund Flow Trends, October 2021

Inflows into money market products boosted the fund flows for October 2021, while European investors were in general further in a risk-on mode over the course of the month. Given the general market environment it was no surprise that October 2021 was a positive month for the European fund industry since mutual fund (+€105.5 bn) and ETF (+€10.6 bn) promoters enjoyed inflows. The overall flow pattern in Europe showed that investors continued to be in risk-on mode in October even as the general flow pattern was driven by inflows into money market products. In more detail, investors bought further into risky assets as long-term funds (+€49.2 bn) and money market products (+€66.9 bn) enjoyed estimated net inflows. In line with this, Money Market EUR (+€47.0 bn) was the best-selling Lipper Global Classification for the month.

In more detail, money market funds (+€66.9 bn) were the best-selling asset type overall for the month. The category was followed by equity funds (+€24.4 bn), mixed-assets funds (+€15.7 bn), bond funds (+€8.9 bn), real estate funds (+€1.4 bn), and commodities funds (+€0.01 bn). On the other side of the table, "other" funds (-€0.6 bn) and alternative UCITS funds (-€0.6 bn), were the only asset types showing outflows.

Graph 1: Estimated Net Flows by Asset and Product Type – October 2021 (Euro Billions)



Source: Refinitiv Lipper

The flow pattern for October drove the estimated overall net inflows to €590.5 bn year to date.

Money Market Products

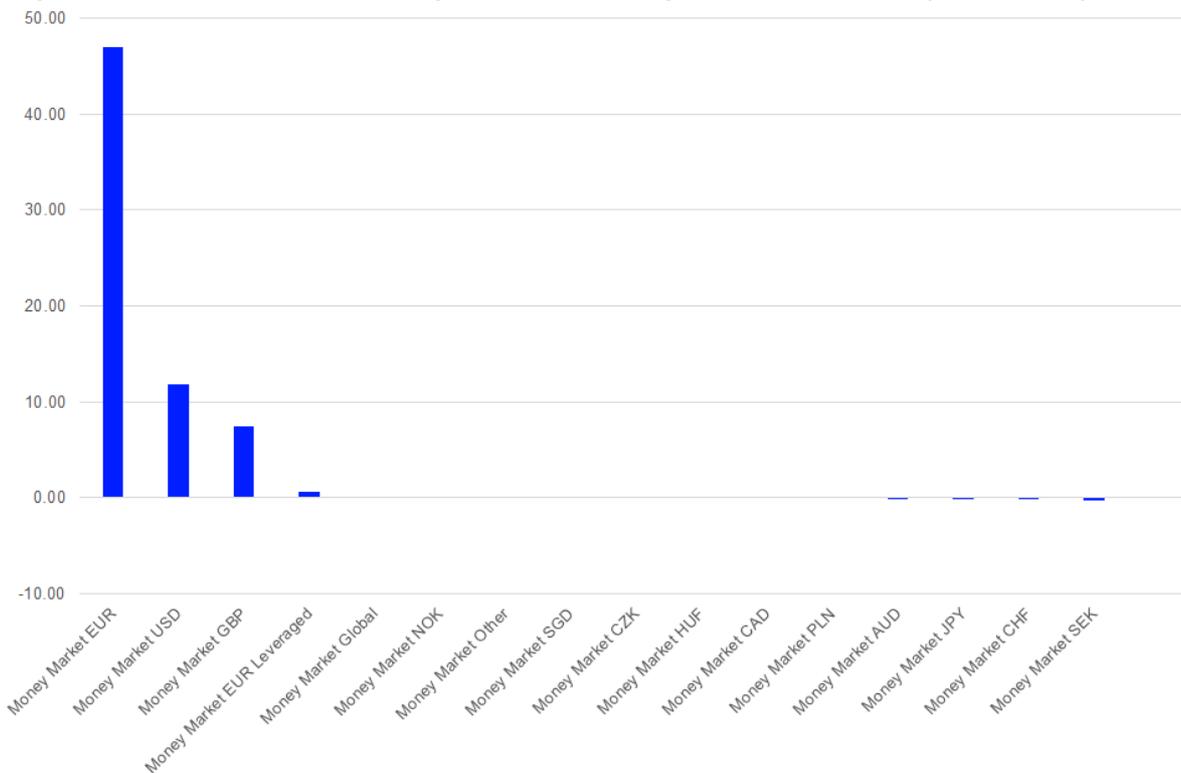
With a market share of 10.12% of the overall assets under management in the European fund management industry, money market products are the fourth largest asset type. Therefore, it is worthwhile to briefly review the trends in this market segment. As the market environment normalized further, with the situation around the COVID-19 pandemic easing up, it was not surprising that European investors reduced their money market positions over the course of the year so far. Conversely, money market funds enjoyed high inflows for the month (+€66.9 bn) even as the volatility in the securities market decreased. In contrast with their active peers (+€67.0bn), ETFs investing in money market instruments contributed estimated net outflows of €0.1 bn to the total.

Money Market Products by Lipper Global Classification

In more detail, Money Market EUR (+€47.0 bn) was the best seller within the money market segment, followed by Money Market USD (+€11.8 bn) and Money Market GBP (+€7.5 bn). At the other end of the spectrum, Money Market SEK (-€0.2 bn) suffered the highest net outflows overall, bettered by Money Market CHF (-€0.1 bn) and Money Market JPY (-€0.01 bn).

This flow pattern revealed that European investors bought money market products denominated in the euro, USD, and GBP. These inflows over the course of October came in after even higher outflows from money market products over the course of September 2021 and are therefore not considered as a sign that European investors started to be in a risk-off mode. In conjunction with the asset allocation decisions of portfolio managers, these shifts in the money market segment might have also been caused by corporate actions such as cash dividends or cash payments since money market funds are also used by corporations as replacements for cash accounts.

Graph 2: Estimated Net Flows in Money Market Products by LGC – October 2021 (Euro Billions)

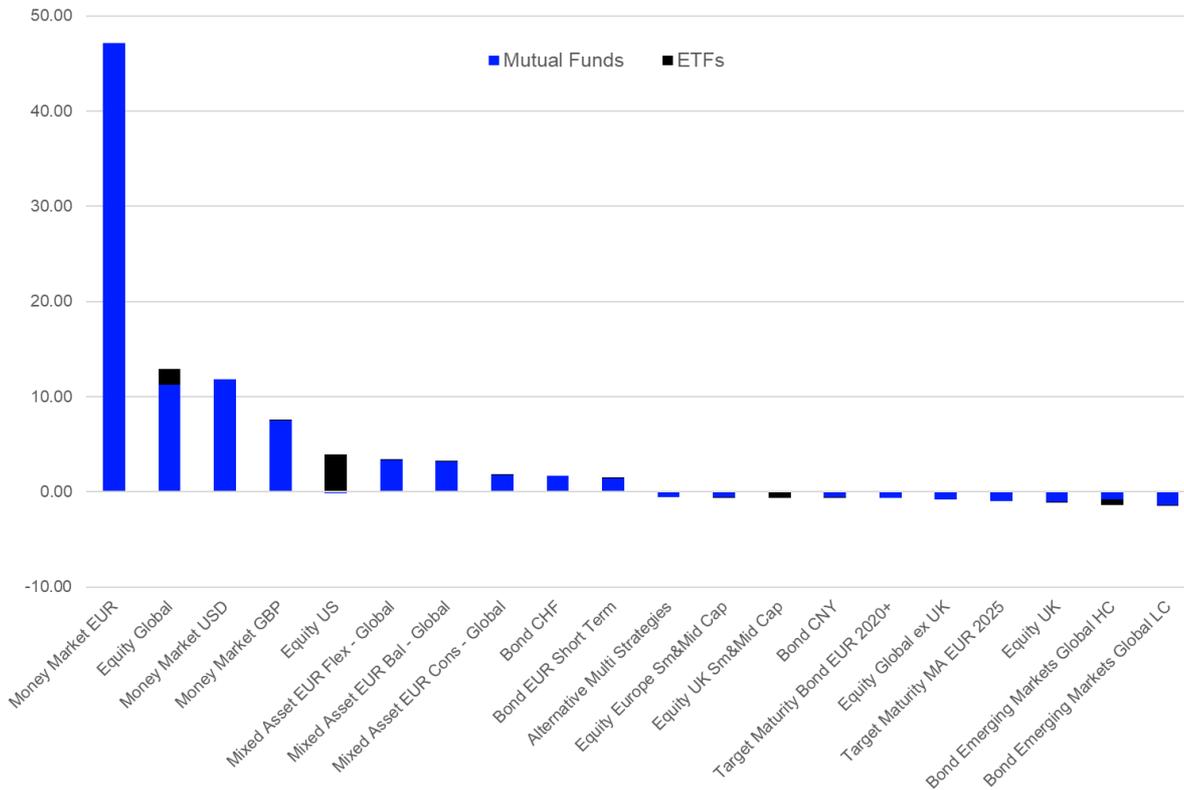


Source: Refinitiv Lipper

Fund Flows by Lipper Global Classifications

With regard to the overall sales for October, it was not surprising that Money Market EUR (+€47.0 bn) dominated the table of the 10 best-selling peer groups by estimated net flows. It was followed by Equity Global (+€12.9 bn), Money Market USD (+€11.8 bn), Money Market GBP (+€7.5 bn), and Equity US (+€3.8 bn).

Graph 3: Ten Best- and Worst-Selling Lipper Global Classifications by Estimated Net Sales, October 2021 (Euro Billions)



Source: Refinitiv Lipper

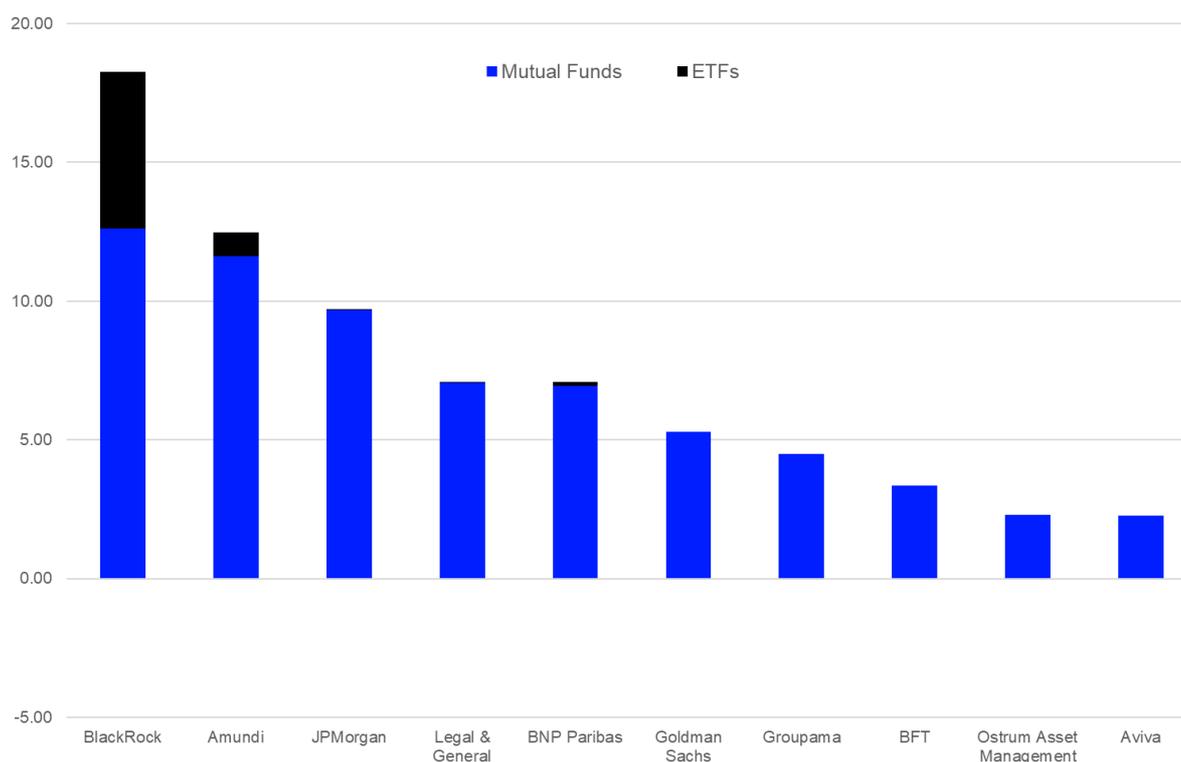
On the other side of the table, you can see European investors reduced their risk exposure in the bond sector as Bond Emerging Markets Global LC (-€1.5 bn) faced the highest estimated net outflows for October, bettered by Bond Emerging Markets Global HC (-€1.4 bn) and Equity UK (-€1.1 bn).

Fund Flows by Promoters

BlackRock (+€18.3 bn) was once again the best-selling fund promoter in Europe for October, ahead of Amundi (+€12.5 bn), JPMorgan (+€9.7 bn), Legal & General (+€7.1 bn), and BNP Paribas (+€7.1 bn). Given the product ranges of the five-top promoters and the overall fund flow trends, it was not surprising to see that ETFs played a vital role for the position of BlackRock in the table of the 10 best-selling fund promoters in Europe for the month.

In addition, it is noteworthy that the estimated net flows for BlackRock (+€10.1 bn), Amundi (+€10.1 bn), JPMorgan (+€8.6 bn), Legal & General (+€4.6 bn), and BNP Paribas (+€6.2 bn) were impacted by inflows into money market products.

Graph 4: Ten Best-Selling Fund Promoters in Europe, October 2021 (Euro Billions)



Source: Refinitiv Lipper

Considering the single-asset classes, Swisscanto (+€1.1 bn) was the best-selling promoter of bond funds, followed by BlackRock (+€0.8 bn), Vanguard (+€0.8 bn), HSBC (+€0.7 bn), and Amundi (+€0.6 bn).

Within the equity space, BlackRock (+€7.5 bn) led the table, followed by LGT Group (+€2.0 bn), Legal & General (+€1.9 bn), Deka (+€1.4 bn), and Amundi (+€1.2 bn).

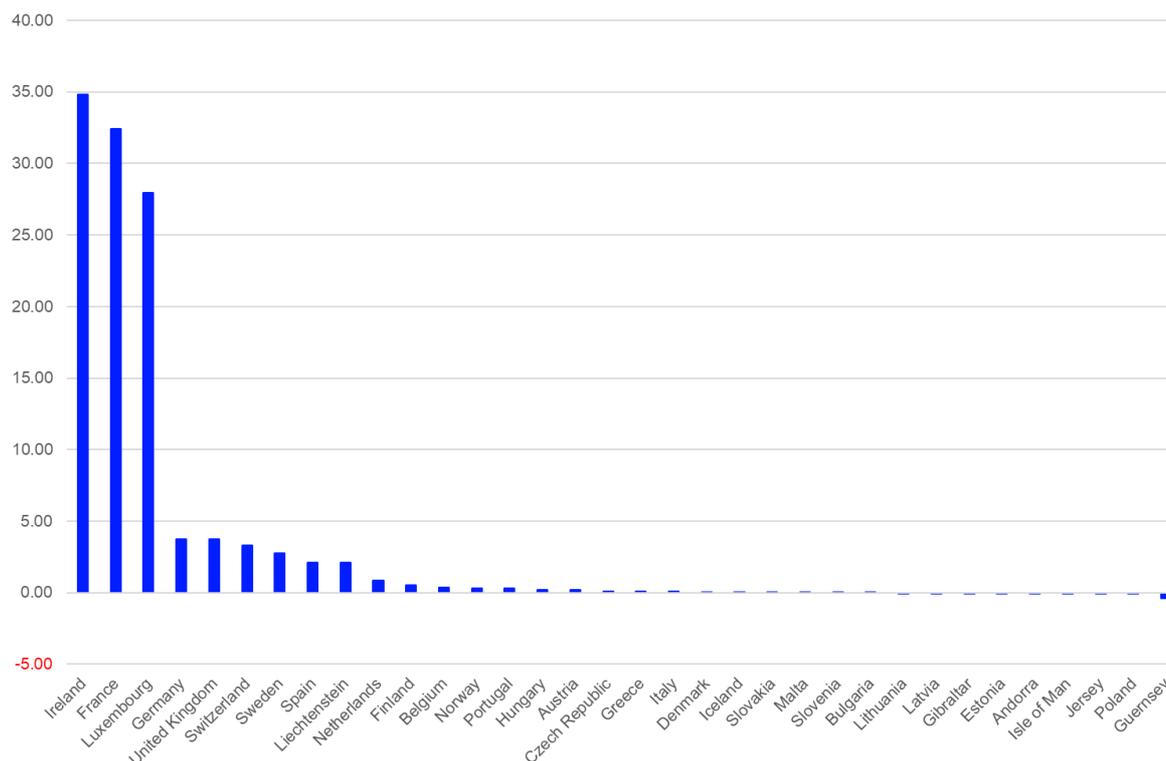
Allianz (+€1.3 bn) was the leading promoter of mixed-assets funds in Europe, followed by Union Investment (+€0.9 bn), Fidelity International (+€0.7 bn), Amundi (+€0.6 bn), and Legal & General (+€0.6 bn).

Aegon Asset Management (+€0.3 bn) was the leading promoter of alternative UCITS funds for the month, followed by Nordea (+€0.3 bn), Alkimis (+€0.2 bn), Kepler (+€0.2 bn), and Schroders (+€0.2 bn).

Fund Flows by Fund Domiciles

Single-fund domicile flows (including those to money market products) showed, in general, a positive picture during September. Twenty-five of the 34 markets covered in this report showed estimated net inflows, and nine showed net outflows. Ireland (+€34.8 bn) was the fund domicile with the highest net inflows, followed by France (+€32.4 bn), Luxembourg (+€28.0 bn), Germany (+€3.7 bn), and the UK (+€3.7 bn). On the other side of the table, Guernsey (-€0.4 bn) was the fund domicile with the highest outflows, bettered by Poland (-€0.1 bn) and Jersey (-€0.1 bn). It is noteworthy that the fund flows for Ireland (+€26.9 bn), France (+€30.7 bn), and Luxembourg (+€9.6 bn) were impacted by inflows into the money market segment.

Graph 5: Estimated Net Sales by Fund Domiciles, October 2021 (Euro Billions)



Source: Refinitiv Lipper

Within the bond sector, funds domiciled in Luxembourg (+€3.2 bn) led the table, followed by France (+€1.9 bn), Switzerland (+€1.5 bn), the Netherlands (+€0.9 bn), and Sweden (+€0.8 bn). Bond funds domiciled in Italy (-€0.4 bn), Denmark (-€0.1 bn), and Austria (-€0.1 bn) were at the other end of the table.

For equity funds, products domiciled in Luxembourg (+€9.6 bn) led the table for the month, followed by Ireland (+€7.5 bn), Liechtenstein (+€2.0 bn), Germany (+€1.6 bn), and the UK (+€1.6 bn). Meanwhile, Belgium (-€0.3 bn), France (-€0.2 bn), and Guernsey (-€0.2 bn) were the domiciles with the highest estimated net outflows from equity funds.

Regarding mixed-assets products, Luxembourg (+€5.5 bn) was the domicile with the highest estimated net inflows, followed by the UK (+€2.2 bn), Spain (+€1.9 bn), Germany (+€1.3 bn), and Italy (+€0.7 bn). In contrast, Guernsey (-€0.2 bn), Jersey (-€0.04 bn), and Andorra (-€0.02 bn) were the domiciles with the highest estimated net outflows from mixed-assets funds.

Sweden (+€0.3 bn) was the domicile with the highest estimated net inflows into alternative UCITS funds for the month, followed by Germany (+€0.2 bn) and Liechtenstein (+€0.2 bn). Meanwhile, the UK (-€0.6 bn), Belgium (-€0.2 bn), and Spain (-€0.1 bn) were at the other end of the table.

For more information, please contact our Refinitiv Lipper Research Team:

Detlef Glow

Head of Lipper EMEA Research
Phone: +49 (69) 12001031
detlef.glow@lseg.com

Robert Jenkins

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

Xav Feng

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

Tom Roseen

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

Otto Christian Kober

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

Dewi John

Head of Lipper UKI Research
Phone: +44 207 5423393
dewi.john@lseg.com

Media enquiries:

Nsikan Edung

nsikan.edung@lseg.com

lipperalpha.com

© 2021 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks and trademarks of Refinitiv and its affiliated companies.

Refinitiv is one of the world's largest providers of financial markets data and infrastructure, serving over 40,000 institutions in approximately 190 countries. It provides leading data and insights, trading platforms, and open data and technology platforms that connect a thriving global financial markets community – driving performance in trading, investment, wealth management, regulatory compliance, market data management, enterprise risk and fighting financial crime.