



REFINITIV

EUROPEAN FUND FLOWS REPORT: February 2019

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EXECUTIVE SUMMARY

February 2019: Bonds are European Investors Darlings

- February 2019 was the tenth 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 €17.7 bn for February.
- Bond funds (+€7.6 bn) were the best selling individual asset type overall for February.
- Equity Global (+€8.3 bn) was the best selling sector among long-term funds for February.
- France (+4.2 bn), driven by money market products (+€8.7 bn), was the fund domicile with the highest net inflows, followed by Switzerland (+€1.8 bn) and Denmark (+€1.4 bn).
- **Natixis**, with net sales of €5.6 bn, was the best-selling fund promoter for February overall, ahead of **Link** (+€4.3 bn) and **Credit Mutuel** (+€1.9 bn).
- The ten best selling long-term funds gathered at the share-class level total net inflows of €15.9 bn for February.
- **Royal London US Tracker R Acc** (+€5.2 bn) was the best selling individual long-term fund for February.

EUROPEAN FUND FLOWS, FEBRUARY 2019

European Fund-Flow Trends, February 2019

The negative trend with regard to fund flows in Europe continued in February even as the securities markets rebounded. As a consequence, February was the tenth month in a row long-term mutual funds posted net outflows after 16 consecutive months of net inflows. Given the current interest rate environment, it was surprising that bond funds (+€7.6 bn) were the best-selling asset type in the segment of long-term mutual funds, followed by real estate funds (+€0.2 bn) and “other” funds (+€0.1 bn). All other asset types faced outflows: alternative UCITS funds (-€8.6 bn), equity funds (-€4.2 bn), mixed-asset funds (-€3.3 bn), and “other” funds (-€0.8 bn).

These fund flows added up to overall net outflows of €8.9 bn from long-term investment funds for February. [ETFs contributed inflows of €14.1 bn to these flows.](#)

Money Market Products

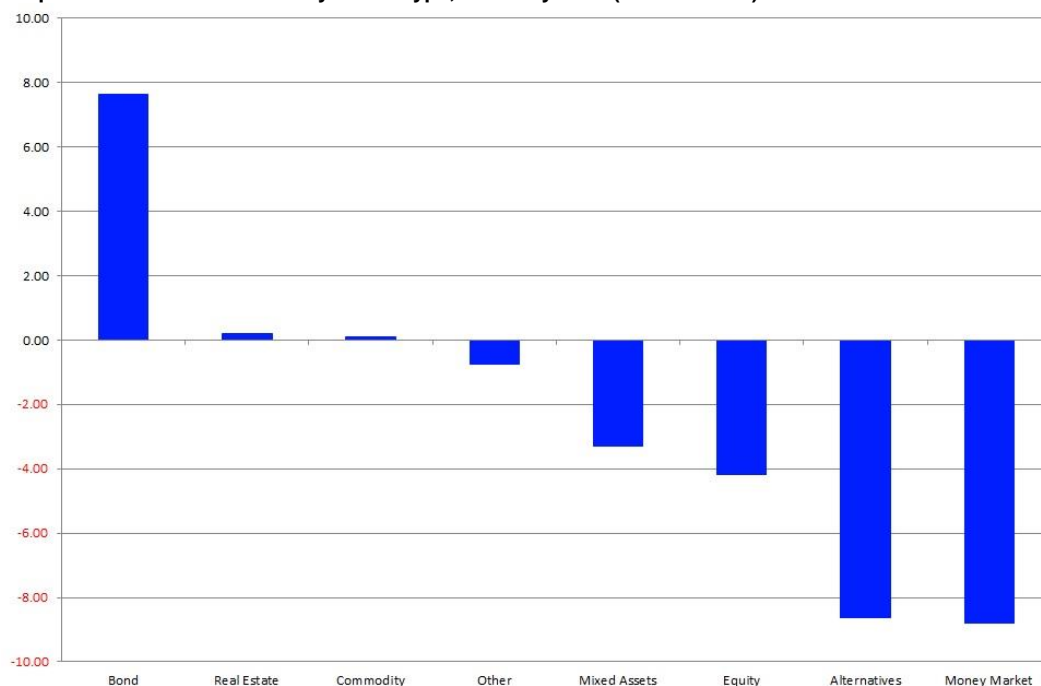
Within the current environment, European investors sold some of their positions in money market products. As a result, money market funds witnessed net outflows of €8.8 bn for February. ETFs investing in money market instruments contributed net outflows of €0.01 bn to these flows.

This flow pattern led the overall fund flows experienced by mutual funds in Europe to overall net outflows of €17.7 bn for February, and outflows of €26.5 bn for 2019 year-to-date.

Money Market Products by Sector

Money Market EUR (+€1.5 bn) was the best-selling money market sector. Money Market Other (+€0.3 bn), Money Market CZK (+€0.1 bn), Money Market NZD (+€0.01 bn), and Money Market JPY (+€0.001 bn) rounded out the five best-selling sectors in the money market segment for February. At the other end of the spectrum, Money Market GBP (-€6.6 bn) suffered the second highest net outflows overall, bettered by Money Market USD (-€2.3 bn) and Money Market EUR Leveraged (-€0.5 bn). Comparing this flow pattern with the flow pattern for January showed European investors further reduced their positions in the US dollar and the British pound sterling while increasing their positions in the euro. 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, February 2018 (Euro Billions)

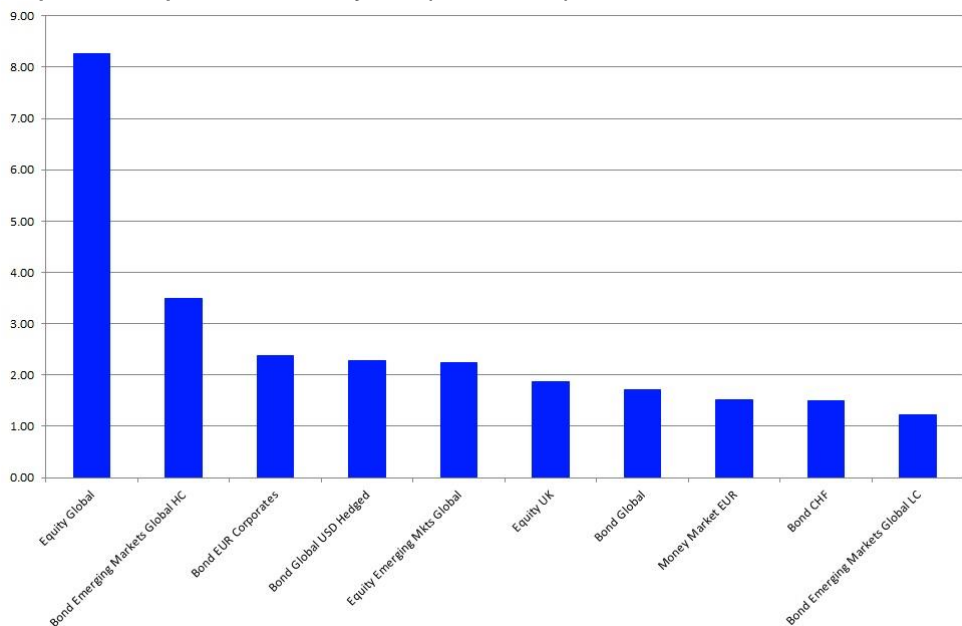


Source: Lipper at Refinitiv

Fund Flows by Sectors

Within the segment of long-term mutual funds, Equity Global (+€8.3 bn) was the best-selling sector, followed by Bond Emerging Markets Global in Hard Currencies (+€3.5 bn). Bond EUR Corporates (+€2.4 bn) was the third best-selling sector, followed by Bond Global USD Hedged (+€2.3 bn) and Equity Emerging Markets Global (+€2.2 bn).

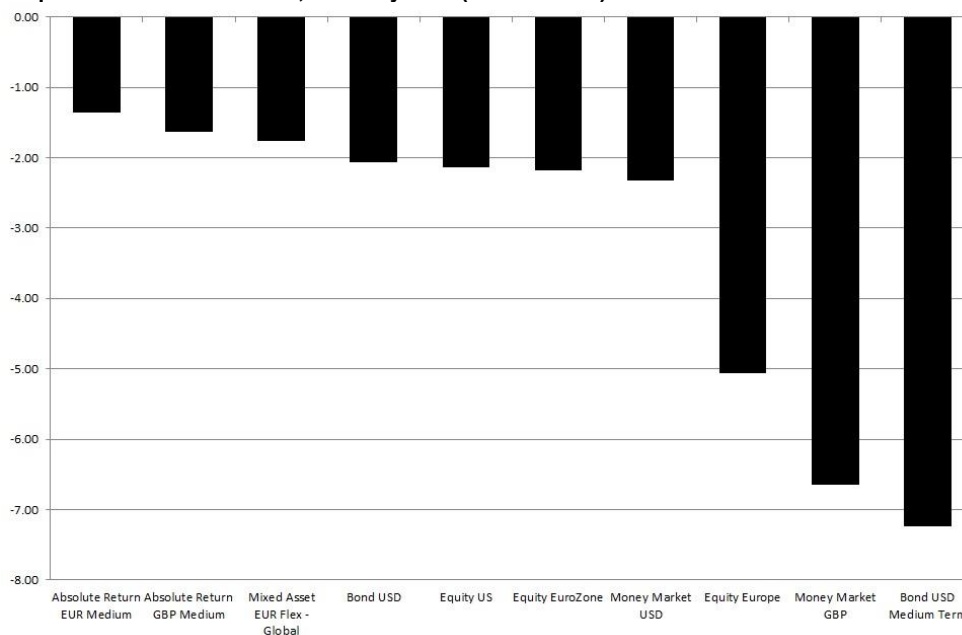
Graph 2: Ten Top Sectors, February 2018 (Euro Billions)



Source: Lipper at Refinitiv

At the other end of the spectrum, Bond USD Medium Term (-€7.2 bn) suffered the highest net outflows from long-term mutual funds, bettered by Equity Europe (-€5.1 bn), Equity Eurozone (-€2.2 bn), Equity US (-€2.1 bn), and Bond USD (-€2.1 bn).

Graph 3: Ten Bottom Sectors, February 2018 (Euro Billions)

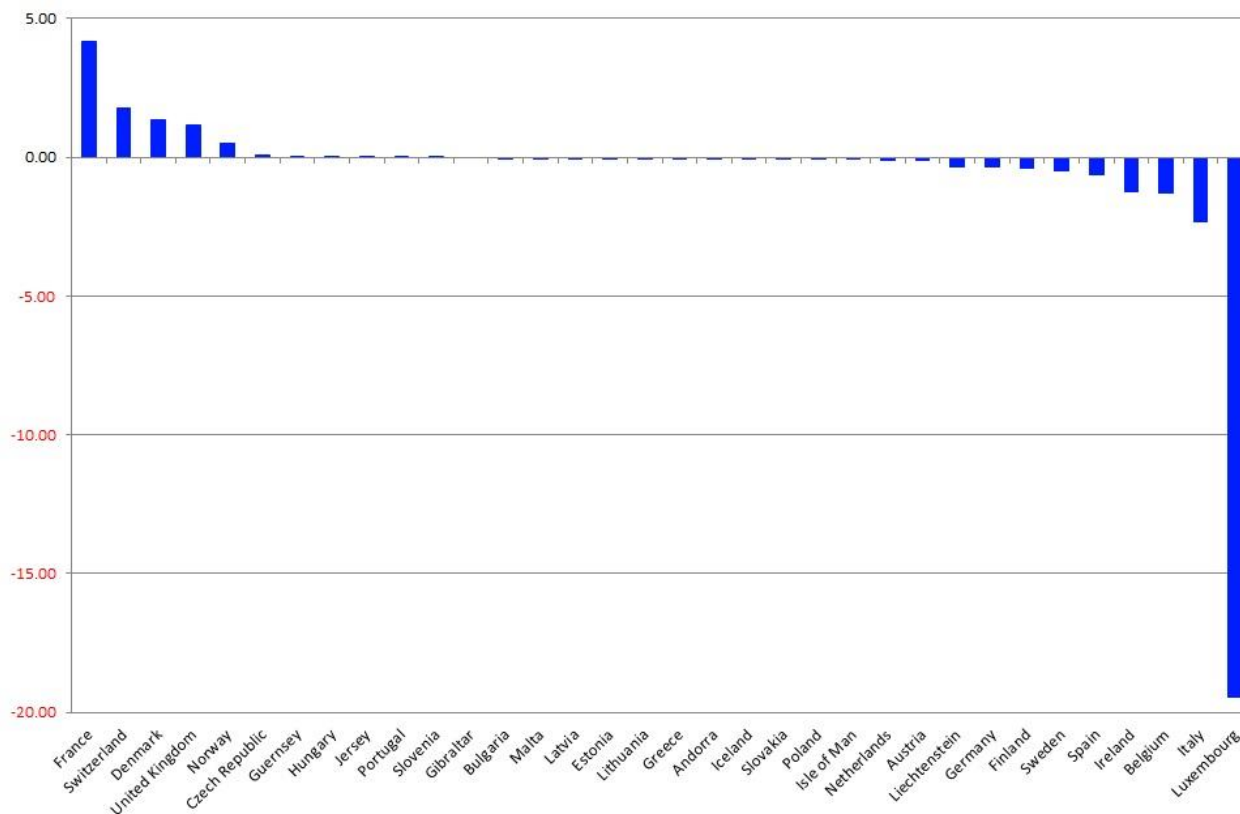


Source: Lipper at Refinitiv

Fund Flows by Markets (Fund Domiciles)

Single-fund domicile flows (including those to money market products) showed, in general, a negative picture for February, with only 12 of the 34 markets covered in this report showing net inflows and 22 showing net outflows. France (+4.2 bn), driven by money market products (+€8.7 bn), was the fund domicile with the highest net inflows, followed by Switzerland (+€1.8 bn), Denmark (+€1.4 bn), the United Kingdom (+€1.2 bn), and Norway (+€0.5 bn). On the other side of the table, Luxembourg (-€19.5 bn) was the fund domicile with the highest outflows, bettered by Italy (-€2.3 bn) and Belgium (-€1.3 bn).

Graph 4: Estimated Net Sales by Fund Domiciles, February 2018 (Euro Billions)



Source: Lipper

Within the bond sector, funds domiciled in Ireland (+€9.2 bn) led the table, followed by Denmark (+€1.3 bn), Switzerland (+€1.0 bn), Norway (+€0.6 bn), and Finland (+€0.4 bn). Bond funds domiciled in Luxembourg (-€4.1 bn), Italy (-€0.6 bn), and France (-€0.2 bn) were at the other end of the table.

For equity funds, products domiciled in Ireland (+€5.1 bn) led the table for February, followed by funds domiciled in the United Kingdom (+€2.0 bn), Belgium (+€1.3 bn), Switzerland (+€0.3 bn), and Guernsey (+€0.1 bn). Meanwhile, Luxembourg (-€7.2 bn), France (-€3.0 bn), and Spain (-€0.8 bn) were the domiciles with the highest net outflows from equity funds.

In regard to mixed-asset products, the United Kingdom (+€0.5 bn) was the domicile with the highest net inflows, followed by funds domiciled in Germany (+€0.2 bn), Switzerland (+€0.1 bn), Austria (+€0.1 bn), and Belgium (+€0.1 bn). In contrast, Luxembourg (-€2.0 bn), Italy (-€0.8 bn), and France (-€0.6 bn) were the domiciles with the highest net outflows from mixed-asset funds.

Belgium (+€0.1 bn) was the domicile with the highest net inflows into alternative UCITS funds for February, followed by Denmark (+€0.04 bn), Sweden (+€0.03 bn), Liechtenstein (+€0.03 bn), and Austria (+€0.01 bn). Meanwhile, Luxembourg (-€3.5 bn), Ireland (-€2.0 bn), and the United Kingdom (-€1.6 bn), were at the other end of the table.

Fund Flows by Promoters

Natixis, with net sales of €5.6 bn, was the best-selling fund promoter for February overall, ahead of **Link** (+€4.3 bn) and **Credit Mutuel** (+€1.9 bn)..

Table 1: Ten Best Selling Promoters, February 2018 (Euro Billions)

Promoter	Estimated Net Sales (EUR bn)
Natixis	5.64
Link	4.27
PIMCO	2.62
Credit Mutuel	1.87
Vanguard Group	1.80
Swiss Life	1.27
Ashmore	0.90
AllianceBernstein	0.85
Danske	0.74
NN Investment Partners	0.67

Source: Lipper at Refinitiv

Considering the single-asset classes, BlackRock (+€4.5 bn) was the best-selling promoter of bond funds, followed by PIMCO (+€2.4 bn), Vanguard Group (+€1.5 bn), Danske (+€1.1 bn), and AB (+€1.0 bn).

Within the equity space, UBS (+€7.3 bn) led the table, followed by Link (+€4.3 bn), KBC (+€1.4 bn), DWS Group (+€1.0 bn), and Lindsell Train (+€0.5 bn).

River and Mercantile (+€0.4 bn) was the leading promoter of mixed-asset funds in Europe, followed by Union Investment (+€0.2 bn), Flossbach von Storch (+€0.2 bn), Monyx (+€0.2 bn), and JP Morgan (+€0.1 bn).

BMO (+€0.4 bn) was the leading promoter of alternative UCITS funds for the month, followed by Handelsbanken (+€0.2 bn), Ruffer (+€0.2 bn), DNCA Finance (+€0.1 bn), and Flossbach von Storch (+€0.1 bn).

Best-Selling Funds

The ten best-selling long-term funds gathered at the share-class level total net inflows of €15.9 bn for February. Equity funds dominated the ranking of the asset types with regard to the ten best-selling funds (+€13.8 bn), followed by bond funds (+€2.1 bn).

Table 2: Ten Best Selling Long-Term Funds, February 2018 (Euro Millions)

Fund Name	ISIN	Lipper Global Classification	Estimated Net Sales (in EUR mil.)
Royal London US Tracker R Acc	GB00BGDYFT45	Equity US	5190.13
LF ACCESS UK Equity A GBP	GB00BGWL4882	Equity UK	1939.00
LF ACCESS Global Equity Core A GBP	GB00BGWL3V47	Equity Global	1476.58
M&G (Lux) Optimal Income A Acc EUR	LU1670724373	Bond Global	1176.04
UBS ETFs plc - MSCI ACWI SF UCITS ETF (h USD) Aa	IE00BYM11J43	Equity Global	1167.70
LF ACCESS Global Stock A GBP	GB00BGWL3Y77	Equity Global	1100.43
UBS ETFs plc - MSCI ACWI SF UCITS ETF (h CHF) Aa	IE00BYM11L64	Equity Global	1073.54
UBS ETFs plc - MSCI ACWI SF UCITS ETF (h EUR) Aa	IE00BYM11K57	Equity Global	981.88
SWC (CH) BF Global Aggregate (ex CHF) ASTT CHF	CH0434505217	Bond Global	925.77
Royal London Japan Tracker R Acc	GB00BGDYFK51	Equity Japan	877.30

Source: Lipper at Refinitiv

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