EUROPEAN FUND FLOWS REPORT:
March 2017

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EXECUTIVE SUMMARY

March 2017: Bond funds dominate fund sales in Europe

- March 2017 was the third consecutive month showing a positive picture for long-term mutual funds. European fund promoters enjoyed net inflows into bond funds (+€21.5 bn), followed by mixed-asset funds (+€11.2 bn), equity funds (+€4.1 bn), and commodity products (+€1.0 bn) as well as real estate funds (+€0.8 bn) and alternative UCITS products (+€0.2 bn). The only asset type with net outflows in the long-term investment funds segment was “other” funds (-€1.2 bn).

- Money market products (+€27.5 bn) were the best selling asset type overall for March. In line with their actively managed peers exchange-traded funds (ETFs) investing in money market instruments enjoyed net inflows (+€0.2 bn).

- This flow pattern led the overall fund flows to mutual funds in Europe to net inflows of €65.1 bn for March and €210.5 bn for 2017 so far.

- Ireland (+€25.8 bn) was once again the fund domicile with the highest net inflows, followed by Luxembourg (+€20.6 bn), France (+€15.6 bn), the United Kingdom (+€5.2 bn), and Germany (+€3.2 bn).

- Bond Global (+€6.6 bn) was the best selling sector among long-term funds.

- **BlackRock**, with net sales of €9.5 bn, was the best selling fund promoter for March overall, ahead of **Amundi** (+€7.3 bn) and **JP Morgan** (+€6.4 bn).

- The ten best selling long-term funds gathered at the share-class level total net inflows of €8.8 bn for March.

- **Amundi Treso Diversifiee C** (+€1.4 bn) was the best selling individual long-term fund for March.
EUROPEAN FUND FLOWS, MARCH 2017

European Fund-Flow Trends, March 2017
After the negative flow numbers at the end of 2016, March 2017 was the third consecutive month showing a positive picture for long-term mutual funds. European fund promoters enjoyed net inflows into bond funds (+€21.5 bn), followed by mixed-asset funds (+€11.2 bn), equity funds (+€4.1 bn), and commodity products (+€1.0 bn) as well as real estate funds (+€0.8 bn) and alternative UCITS products (+€0.2 bn). The only asset type with net outflows in the long-term investment funds segment was "other" funds (-€1.2 bn).

These fund flows added up to overall net inflows of €37.6 bn into long-term investment funds for March. Exchange-traded funds (ETFs) contributed €10.0 bn to these flows.

Money Market Products
After posting outflows for February, money market products (+€27.5 bn) were the best selling asset type overall for March. In line with their actively managed peers, ETFs investing in money market instruments enjoyed net inflows (+€0.2 bn).

This flow pattern led the overall fund flows to mutual funds in Europe to net inflows of €65.1 bn for March and €210.5 bn for 2017 so far.

Money Market Products by Sector
Money Market GBP (+€12.1 bn) was once again the best selling sector overall for March, followed by Money Market EUR (+€11.3 bn) and Money Market USD (+€4.3 bn). At the other end of the spectrum Money Market CHF (-€0.3 bn) suffered the highest net outflows for the money market sectors, bettered somewhat by Money Market Other (-€0.3 bn) and Money Market SGD (-€0.1 bn). Comparing this flow pattern with the flow pattern for February 2017 shows that European investors further increased their positions in the British pound sterling—the best selling money market sector for February—and bought back into the euro after they had reduced investment in the EUR for February.

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

Source: Thomson Reuters Lipper
Fund Flows by Sectors
Within the segment of long-term mutual funds Bond Global (+€6.6 bn) was the best selling sector, followed by Bond EUR Short Term (+€4.9 bn), Equity Global (+€4.1 bn), and Bond Emerging Markets in Local Currencies (+€3.7 bn) as well as Bond Emerging Markets in Hard Currencies (+€3.3 bn).

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

At the other end of the spectrum Equity Europe (-€3.1 bn) suffered once again the highest net outflows from long-term mutual funds, bettered somewhat by Bond USD High Yield (-€2.4 bn) and Bond EUR (-€2.1 bn) as well as Bond EMU Government (-€1.8 bn) and Equity Japan (-€1.6 bn).

Graph 3: Ten Bottom Sectors, March 2017 (Euro Billions)
Fund Flows by Markets (Fund Domiciles)

Single fund domicile flows (including those to money market products) showed in general a positive picture for March, with 18 of the 34 markets covered in this report showing net inflows and 16 showing net outflows. Ireland (+€25.8 bn) was once again the fund domicile with the highest net inflows, followed by Luxembourg (+€20.6 bn), France (+€15.6 bn), the United Kingdom (+€5.2 bn), and Germany (+€3.2 bn). On the other side of the table Spain was the single fund domicile with the highest net outflows (-€2.7 bn), bettered somewhat by Switzerland (-€2.4 bn) and Italy (-€1.1 bn).

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

Within the bond sector, funds domiciled in Ireland (+€9.4 bn) led the table for March, followed by those domiciled in Luxembourg (+€6.4 bn), France (+€4.6 bn), the United Kingdom (+€2.1 bn), and Sweden (+€0.8 bn). Bond funds domiciled in Spain (-€1.4 bn), the Netherlands (-€0.7 bn), and Italy (-€0.6 bn) stood at the other end of the table.

For equity funds, products domiciled in Ireland (+€4.3 bn) led the table for March, followed by funds domiciled in France (+€1.6 bn), Germany (+€1.3 bn), and the United Kingdom (+€1.2 bn) as well as Denmark (+€0.2 bn). Meanwhile, Switzerland (-€2.5 bn), Luxembourg (-€1.1 bn), and Finland (-€0.7 bn) were the domiciles with the highest net outflows from equity funds.

With regard to mixed-asset products Luxembourg (+€7.1 bn) was the domicile with the highest net inflows, followed by funds domiciled in the United Kingdom (+€1.2 bn), Germany (+€0.8 bn), Belgium (+€0.6 bn), and France (+€0.5 bn). On the other side of the table funds domiciled in Spain showed the highest net outflows (-€0.2 bn), bettered by funds domiciled in Jersey (-€0.1 bn) and the Netherlands (-€0.01 bn).

Ireland (+€0.5 bn) was the domicile with the highest net inflows into alternatives for March, followed by the United Kingdom (+€0.3 bn), Spain (+€0.1 bn), and Denmark (+€0.1 bn) as well as Germany (+€0.04 bn). Italy (-€0.5 bn), bettered by the Netherlands (-€0.4 bn) and France (-€0.1 bn), stood at the other end of the table.
Fund Flows by Promoters

BlackRock, with net sales of €9.5 bn, was the best selling fund promoter for March overall, ahead of Amundi (+€7.3 bn) and JP Morgan (+€6.4 bn).

<table>
<thead>
<tr>
<th>Promoter</th>
<th>Estimated Net Sales (EUR bn)</th>
</tr>
</thead>
<tbody>
<tr>
<td>BlackRock</td>
<td>9.53</td>
</tr>
<tr>
<td>Amundi</td>
<td>7.27</td>
</tr>
<tr>
<td>JPMorgan</td>
<td>6.35</td>
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<tr>
<td>PIMCO</td>
<td>5.49</td>
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<tr>
<td>Deutsche Bank</td>
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<td>Aviva</td>
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<td>Vanguard Group</td>
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</tr>
<tr>
<td>Insight</td>
<td>2.75</td>
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<td>Groupama</td>
<td>1.87</td>
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<tr>
<td>Legal &amp; General</td>
<td>1.86</td>
</tr>
</tbody>
</table>

Source: Thomson Reuters Lipper

Considering the single-asset bases, PIMCO (+€5.1 bn) was the best selling promoter of bond funds for March, followed by BlackRock (+€4.1 bn), Amundi (+€2.5 bn), and Credit Suisse Group (+€1.2 bn) as well as Carmignac Gestion (+€1.0 bn).

Within the equity space BlackRock (+€2.9 bn) stood at the head of the table for March, followed by Vanguard Group (+€2.2 bn), Deutsche Bank (+€1.4 bn), and Societe Generale (+€0.8 bn) as well as SPP (+€0.8 bn).

Azimut (+€1.8 bn) was the leading promoter of mixed-asset funds in Europe for March, followed by Allianz (+€1.4 bn), Amundi (+€0.9 bn), and Union Investment (+€0.8 bn) as well as JP Morgan (+€0.6 bn).

GAM (+€0.9 bn) was the leading promoter of alternatives funds for the month, followed by Aviva (+€0.6 bn), Credit Suisse Group (+€0.5 bn), and Old Mutual (+€0.5 bn) as well as PIMCO (+€0.4 bn).

Best Selling Funds

The ten best selling long-term funds gathered at the share-class level total net inflows of €8.8 bn for March. The split of the ten best selling funds by asset type was somewhat in line with the overall sales numbers. Since bond funds dominated the overall sales numbers, it was not surprising that these products also dominated the sales table for the single funds, but it was surprising that no fund from another asset type made the table of the ten best selling long-term funds for March.

<table>
<thead>
<tr>
<th>Fund Name</th>
<th>ISIN</th>
<th>Lipper Global Classification</th>
<th>Estimated Net Sales (in EUR mil.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amundi Target Diversifie C</td>
<td>FR0013198249</td>
<td>Bond EUR Short Term</td>
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<tr>
<td>Focused SICAV-High Grade Long Term Bd USD(CHF)F-e</td>
<td>LU1140787604</td>
<td>Bond USD</td>
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<td>Amundi 6 M - I - EUR (C/D)</td>
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<td>Bond EUR Short Term</td>
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<td>PIMCO GIS Income Inst EUR Hdg Acc</td>
<td>IE00BDGG9268</td>
<td>Bond Global EUR Hedged</td>
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<td>Focused SICAV - High Grade Bond USD (CHF) F-e</td>
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<td>M&amp;G Global Floating Rate High Yield GBP A-H Acc</td>
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<td>AE FCP 1-Global High Yield Portfolio A USD</td>
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<td>Bond Global High Yield</td>
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<td>Carmignac Securitas A EUR Acc</td>
<td>FR0010149120</td>
<td>Bond EUR Short Term</td>
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<td>Aberdeen Global (II - Global Bond 22</td>
<td>LU00304231946</td>
<td>Bond Global</td>
<td>664.05</td>
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</tbody>
</table>

Source: Thomson Reuters Lipper
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