LIPPER EUROPEAN FUND FLOWS REPORT
August 2020

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


- The overall fund flows for mutual funds in Europe in August amounted to estimated net inflows of €16.0 bn.

- Bond funds (+€19.9 bn) were the best-selling individual asset type overall for August.

- Equity Global (+€8.6 bn) was once again the best-selling sector among long-term funds for August.

- Luxembourg (+€14.1 bn) was the fund domicile with the highest net inflows, followed by France (+€6.4 bn) and Switzerland (+€1.6 bn).

- **Morgan Stanley** was the best-selling fund promoter for August overall, with net sales of €3.4 bn, ahead of **PIMCO** (+€2.2 bn) and **Mercer** (+€2.2 bn).

- The 10 best-selling long-term funds gathered at the share class level net inflows of €6.6 bn for August.

- **Aviva Investors Global Sovereign Bond Zh GBP** (+€0.9 bn) was the best-selling individual long-term fund share class for August.
European Fund-Flows Trends, August 2020

European investors bought further back into mutual funds and ETFs in August. Since the global equity markets recovered further, investors returned to long-term mutual funds because they expected the massive stimulus packages from central banks and governments globally to keep interest rates low and to foster global economic growth after the lockdowns caused by the outbreak of COVID-19 are lifted in more countries around the globe.

As a result, long-term mutual funds posted overall net inflows for the month. Bond funds (+€19.9 bn) were the best-selling asset type overall for August, followed by equity funds (+€11.0 bn), alternative UCITS funds (+€1.0 bn), real estate funds (+€0.6 bn), commodities funds (+€0.2 bn), and mixed-assets funds (+€0.1 bn), while "other" funds (-0.4 bn) were the only long-term asset type facing estimated net outflows.

These fund flows added up to overall estimated net inflows of €32.3 bn into long-term investment funds for August. ETFs contributed inflows of €9.0 bn to these flows.

Money Market Products

Even as the current market environment is still somewhat fragile, European investors pulled money out of money market products. As a result, money market funds were the asset type with the highest outflows for the month (-€16.3 bn). In line with their actively managed peers, ETFs investing in money market instruments contributed estimated net outflows of €0.1 bn to the total.

This flow pattern led to estimated overall net inflows of €16.0 bn for August and overall estimated inflows of €278.3 bn year to date.

Money Market Products by Sector

Money Market NOK (+€0.1 bn) was the best seller within the money market segment, followed by Money Market PLN (+€0.1 bn) and Money Market CHF (+€0.1 bn). At the other end of the spectrum, Money Market GBP (-€11.0 bn) suffered the highest net outflows in the money market segment, bettered by Money Market USD (-€4.8 bn) and Money Market SEK (-€0.4 bn).

Comparing this flow pattern with the flow pattern for July revealed that European investors sold the pound sterling and the U.S. dollar without buying back into other currencies. This might be a sign for a shift toward riskier asset classes as the inflows into the other asset classes were nearly as high as the outflows from money market products. In conjunction with the asset allocation decisions of portfolio managers, these shifts 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 1: Estimated Net Sales by Asset Type, August 2020 (Euro Billions)

Source: Refinitiv Lipper
Fund Flows by Sectors
Equity Global (+€8.6 bn) was once again the best-selling sector in the segment of long-term mutual funds, followed by Bond Global USD (+€3.7 bn). Bond Emerging Markets Global in Hard Currencies (+€2.4 bn) was the third best-selling long-term sector, followed by Bond CNY (+€1.4 bn) and Equity Sector Information Technology (+€1.4 bn).

Graph 2: Ten Top Sectors, August 2020 (Euro Billions)

Source: Refinitiv Lipper

At the other end of the spectrum, Equity UK (-€1.9 bn) suffered the highest net outflows in the segment of long-term funds, bettered by Bond USD High Yield (-€1.1 bn), Equity UK Income (-€0.6 bn), Equity Japan (-€0.5 bn), and Unclassified funds (-€0.5 bn).

Graph 3: Ten Bottom Sectors, August 2020 (Euro Billions)

Source: Refinitiv Lipper
Fund Flows by Markets (Fund Domiciles)

Single-fund domicile flows (including those to money market products) showed, in general, a positive picture during August. Twenty of the 33 markets covered in this report showed estimated net inflows, and 13 showed net outflows. Luxembourg (+€14.1 bn) was the fund domicile with the highest net inflows, followed by France (+€6.4 bn), Switzerland (+€1.6 bn), Germany (+€1.3 bn), and Sweden (+€0.8 bn). On the other side of the table, Ireland (-€4.7 bn) was the fund domicile with the highest outflows, bettered by the U.K. (-€3.5 bn) and Belgium (-€0.8 bn). It is noteworthy that the fund flows for France (+€5.2 bn) and Ireland (-€16.7 bn) were impacted by flows in the money market segment.

Graph 4: Estimated Net Sales by Fund Domiciles, August 2020 (Euro Billions)

Within the bond sector, funds domiciled in Luxembourg (+€9.4 bn) led the table, followed by Ireland (+€6.2 bn), France (+€1.1 bn), Switzerland (+€0.8 bn), and the U.K. (+€0.7 bn). Bond funds domiciled in Finland (-€0.1 bn), Jersey (-€0.1 bn), and Guernsey (-€0.03 bn) were at the other end of the table.

For equity funds, products domiciled in Luxembourg (+€7.3 bn) led the table, followed by Ireland (+€3.4 bn), Sweden (+€1.0 bn), Germany (+€0.7 bn), and Switzerland (+€0.4 bn). Meanwhile, the U.K. (-€2.7 bn), Guernsey (-€0.3 bn), and Denmark (-€0.1 bn) were the domiciles with the highest estimated net outflows from equity funds.

Regarding mixed-assets products, the Netherlands (+€0.2 bn) was the domicile with the highest estimated net inflows for August, followed by Switzerland (+€0.2 bn), Belgium (+€0.2 bn), Austria (+€0.1 bn), and Poland (+€0.2 bn). In contrast, Italy (-€0.4 bn), Spain (-€0.4 bn), and the U.K. (-€0.3 bn) were the domiciles with the highest estimated net outflows from mixed-assets funds.

Ireland (+€1.4 bn) was the domicile with the highest estimated net inflows into alternative UCITS funds for August, followed by Luxembourg (+€0.6 bn), France (+€0.2 bn), Denmark (+€0.02 bn), and Poland (+€0.01 bn). Meanwhile, the U.K. (-€0.5 bn), Italy (-€0.3 bn), and Belgium (-€0.1 bn) were at the other end of the table.
Fund Flows by Promoters
Morgan Stanley was the best-selling fund promoter for August overall, with net sales of €3.4 bn, ahead of PIMCO (+€2.2 bn) and Mercer (+€2.2 bn). It is noteworthy that the inflows of Morgan Stanley (+€2.4 bn) were impacted by flows into money market funds.

### Table 1: Ten Best-Selling Promoters, August 2020 (Euro Billions)

<table>
<thead>
<tr>
<th>Promoter</th>
<th>Estimated Net Sales (EUR bn)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Morgan Stanley</td>
<td>3.36</td>
</tr>
<tr>
<td>PIMCO</td>
<td>2.18</td>
</tr>
<tr>
<td>Mercer</td>
<td>2.16</td>
</tr>
<tr>
<td>UBS</td>
<td>2.14</td>
</tr>
<tr>
<td>Amundi</td>
<td>1.94</td>
</tr>
<tr>
<td>BlackRock</td>
<td>1.94</td>
</tr>
<tr>
<td>BNP Paribas Asset Management</td>
<td>1.90</td>
</tr>
<tr>
<td>Credit Mutuel</td>
<td>1.84</td>
</tr>
<tr>
<td>Societe Generale</td>
<td>1.45</td>
</tr>
<tr>
<td>Nordea</td>
<td>1.44</td>
</tr>
</tbody>
</table>

Source: Refinitiv Lipper

Considering the single-asset classes, BlackRock (+€2.9 bn) was the best-selling promoter of bond funds, followed by PIMCO (+€1.8 bn), Schroders (+€1.2 bn), Amundi (+€1.1 bn), and Vanguard Group (+€1.0 bn).

Within the equity space, BlackRock (+€2.6 bn) led the table, followed by Mercer (+€1.3 bn), DWS Group (+€1.2 bn), UBS (+€1.2 bn), and Morgan Stanley (+€1.1 bn).

Flossbach von Storch (+€0.8 bn) was the leading promoter of mixed-assets funds in Europe, followed by Vanguard Group (+€0.4 bn), Union Investment (+€0.4 bn), MFS Investment Management (+€0.3 bn), and UBS (+€0.3 bn).

KBC (+€0.5 bn) was the leading promoter of alternative UCITS funds for the month, followed by GLG Partners (+€0.4 bn), Insight (+€0.4 bn), JPMorgan (+€0.3 bn), and Jupiter (+€0.3 bn).

Best-Selling Funds
The 10 best-selling long-term funds, gathered at the share class level, experienced net inflows of €6.6 bn for August. The general fund-flows trend for the 10 best-selling funds was not in line with the overall fund-flows trend in Europe as equity funds dominated the ranks of asset types with regard to the 10 best-selling funds (+€4.7 bn), followed by bond funds (+€1.9 bn) and mixed assets funds (+€1.1 bn). Aviva Investors Global Sovereign Bond Zh GBP (+€0.9 bn) was the best-selling fund share class for August.

### Table 2: Ten Best-Selling Long-Term Funds, August 2020 (Euro Millions)

<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>Aviva Investors Global Inv. Grade Corp Bd Zhy GBP</td>
<td>LU1220879990</td>
<td>Bond Global Corporates USD</td>
<td>852.26</td>
</tr>
<tr>
<td>State Street ACS North America Index Equity U2</td>
<td>GB00BD80R771</td>
<td>Equity US</td>
<td>892.48</td>
</tr>
<tr>
<td>Mercer Passive Global Equity Fund B22-H-0.0000-EUR</td>
<td>IE00BM23R557</td>
<td>Equity Global</td>
<td>746.07</td>
</tr>
<tr>
<td>Nikko Listed IDX Fund TOPIX</td>
<td>JP3039100007</td>
<td>Equity Japan</td>
<td>745.05</td>
</tr>
<tr>
<td>ACS Climate Transition Wld Ezty X1 Acc GBP</td>
<td>GB00BMDWZJ05</td>
<td>Equity Global</td>
<td>732.36</td>
</tr>
<tr>
<td>Amundi S&amp;P 500 UCITS ETF- USD (C)</td>
<td>LU1681049018</td>
<td>Equity US</td>
<td>694.95</td>
</tr>
<tr>
<td>Swisscanto (CH) IFF I EF Syst Wld Enh NTH CHF</td>
<td>CH0288813508</td>
<td>Equity Global</td>
<td>558.47</td>
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<tr>
<td>iShares China CNY Bond UCITS ETF USD Dist</td>
<td>IE00BYPCH127</td>
<td>Bond CNY</td>
<td>542.73</td>
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<tr>
<td>SPDR Bloomberg Barclays Glo Aggregate Bd ETF USDH</td>
<td>IE00BF1QPH33</td>
<td>Bond Global USD</td>
<td>530.50</td>
</tr>
<tr>
<td>Schroder Court/private Managed Balanced G1</td>
<td>GB00BF780V50</td>
<td>Equity Global</td>
<td>496.63</td>
</tr>
</tbody>
</table>

Source: Refinitiv Lipper
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