



Oct 2012, data at Aug 2012

FOR IMMEDIATE RELEASE

## IN BRIEF

- Long-term fund sales in Europe (excluding money market funds) nudged up slightly to €18.5bn in August from those posted last month (€15.5bn), bringing the **year-to-date total for these funds over the €100bn mark**, to €103.4bn.
- Including money market funds, the picture looks rosier, with net sales of €24.4bn for the month and a year-to-date total of €111.3bn.
- **Bond funds enjoyed inflows of €20.8bn, only slightly down on July's record-breaking total.** While outflows from equity funds worsened this month, the total was still less bad than that achieved each month from April to June – let alone the massive outflows suffered over the second half of 2011.
- **Investors again show no sign of backing away from high yield bond products with inflows of €5.7bn across different currencies.**
- Flows into absolute return funds improved again this month to €2.4bn, up from €1.7bn, bringing assets under management to €164.4bn for these funds.

Lipper Expert Forum, London, 29th November, for details click here: [forms.thomsonreuters.com/lipperforum](http://forms.thomsonreuters.com/lipperforum)

## CHARTING COURSE IN CHOPPY WATER

The European funds industry fared relatively well in August with net sales levels nudging up slightly (to €18.5bn) from those posted in July (€15.5bn) to top €100bn over the year-to-date (excluding money market funds). This may well have been boosted by a reduction in investor withdrawals from funds compared to last month and not simply more new money coming in.

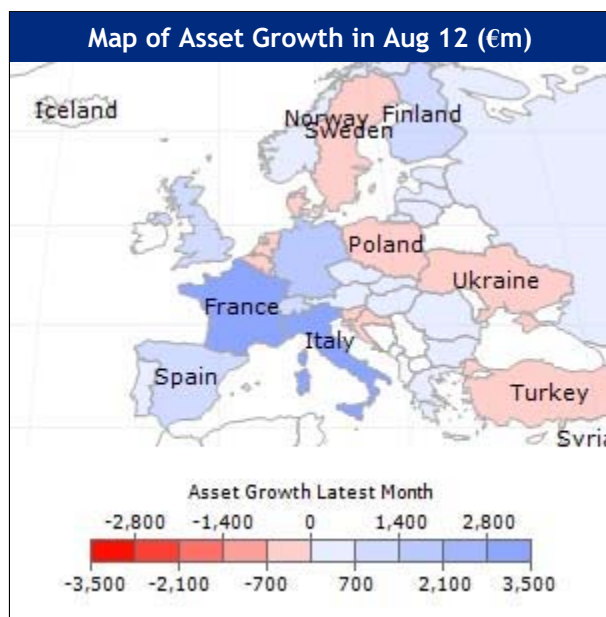
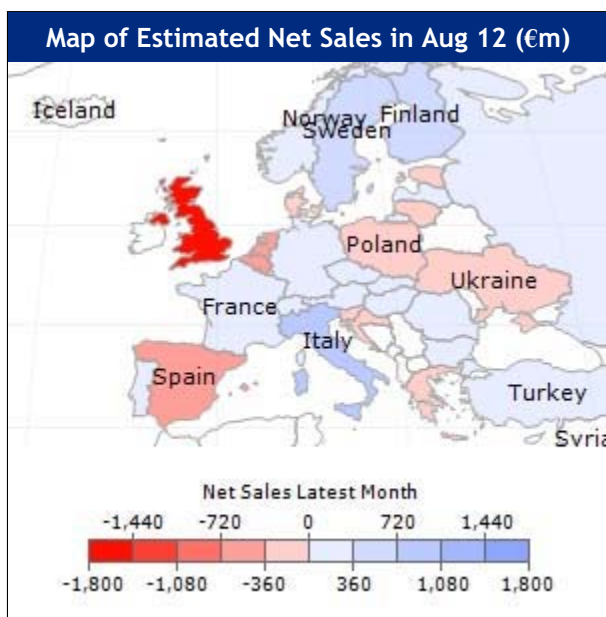
Having picked up on Italian investors' appetite for 'home grown' products last month, it is interesting to see that the market's contribution to the European industry total has been healthy again this month (€780m). By contrast, UK investors' moves out of equity funds (-€2.8bn) again dragged down the market total. While this situation may be temporary, for now the UK has changed beyond recognition from its position as one of the most buoyant fund markets in Europe. However there are still 'hot spots' in some bond and mixed asset sectors where British fund buyers remain very willing to invest.

The similarity to last month's activity can be seen at asset class level, with European investors again contributing more than €20bn to bond funds (€20.8bn) but withdrawing an increasing amount from equity funds (-€5.7bn). With sales of mixed asset funds improving (to €2.3bn) and those for commodities and real estate coming out of the red and into positive territory, this enabled the industry to see a slight improvement in sales overall. If money market funds' activity is included (€5.9bn compared to outflows of -€12.3bn in July), the picture looks better still.

Interest in bonds remains dominated by high yield products, which enjoyed inflows of €5.7bn (across different currencies), with asset allocation funds also prospering (€2.5bn; mixed asset products typically with an absolute return objective). At the other end of the spectrum, investors withdrew €2bn from UK equity funds and €1.9bn from US equities.

1. Ranking excludes money market funds and funds of funds

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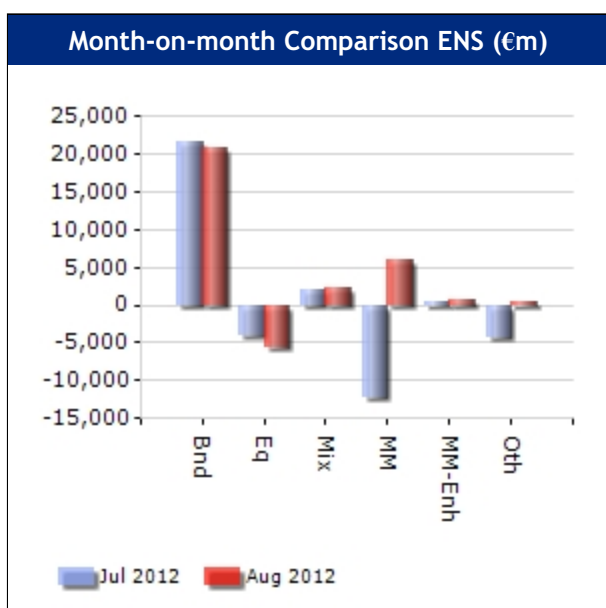
Note: European Data Map excludes international activity

### Top 5 Markets by TNA Aug 12 (€bn)

Market	Assets	Mth Grth	As %
International	1,917.6	6.7	0.4
United Kingdom	717.1	0.7	0.1
Germany	442.3	1.9	0.4
France	273.2	3.4	1.3
Italy	265.1	3.2	1.2
Rest	928.8	1.7	
<b>Total</b>	<b>4,544.2</b>	<b>17.6</b>	

### Top 5 Markets by ENS in Aug 12 (€m)

Fund Market	Est Net Sales
International	18,977.6
Italy	779.0
Finland	624.8
Sweden	526.9
Switzerland	310.6
Rest	-2,708.3
<b>Total</b>	<b>18,510.5</b>



### Top Sectors in Aug 12 (€m)

Bnd USD CHY	2,840.2
Asset Alloc	2,483.5
Bnd USD	2,109.3
Bnd GI HY	1,989.3
Bnd GI Corp	1,771.4

### Bottom Sectors in Aug 12 (€m)

Eq UK	-1,979.5
Eq Nth Am	-1,879.4
Eq DE	-1,003.8
Eq Pac ex Jap	-694.9
Guarant'd	-693.0

Note: charts and rankings on this page exclude funds of funds and money market funds. ENS=Estimated net sales. TNA=Total net assets.