

LIPPER FUND FLASH

MONTHLY SNAPSHOT OF EUROPEAN TRENDS



JANUARY IN BRIEF

- Long-term fund sales (excluding money market funds) totalled €54.4bn in January, **the highest one month total in Europe for seven years** (€56.1bn in January 2006).
- Withdrawals from money market funds totalled -€4.5bn in January and when these outflows are included, the European industry's sales stand at €49.9bn for the month.
- **Cross-border funds attracted inflows of €43.5bn (excluding money market funds), a one-month sales total that is the largest in Lipper's record books.**
- PIMCO, BlackRock and Franklin Templeton have set the early pace for fund sales in Europe this year, with net sales in January of €4.1bn, €3.7bn and €3.5bn respectively.
- Absolute Return funds attracted inflows of €4.6bn in January, well above their monthly average last year of €1.9bn (totalling €23.4bn overall in 2012).

Lipper Fund Awards - London
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7 MONTH ITCH?

Bond funds in Europe attracted €20bn in net inflows for the seventh month in a row in January, specifically €23.7bn (with a 7-month average of €23.2bn). This apparently stable level of sales contrasts with those for equity funds, which improved again this month and reached €20.8bn, up from €13.3bn last month. This was the first time that the asset class has topped the €20bn mark since December 2010.

This dual stream of inflows for European asset managers points to a broader improvement in investor sentiment at the start of 2013, with inflows across the 'long-term' funds industry (excluding money market funds) reaching €54.4bn, the highest one month total since January 2006 (€56.1bn). However, seven years ago €32.4bn of the inflows were into equity products and just €9bn into bonds. €9.2bn moved into mixed asset funds this time seven years ago - the same volume as has been recorded for the asset class in January 2013.

While emerging market and global equity funds again enjoyed most interest within the broader asset class, European (€2.4bn), Asian (€2.3bn) and even Japanese equity funds (€1bn) also saw significant inflows to start the year. Cross-border funds (the 'International' fund market) continue in the vanguard of fund flows activity, but there was also an encouraging pick-up in the German, Swiss and Italian local markets.

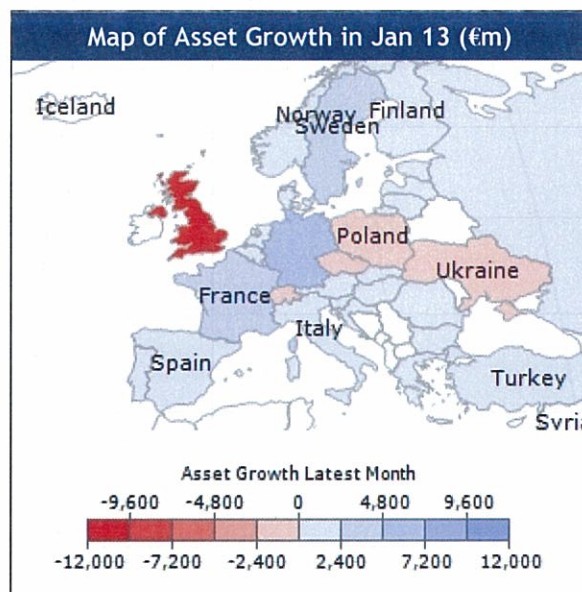
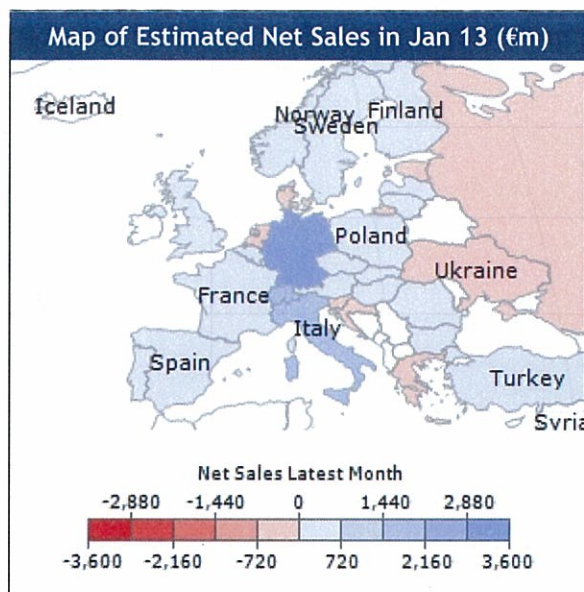
Historical trends

This early 2013 activity comes at the same as new research on longer-term trends in Lipper's annual 'European Fund Market Review'. This includes a look at the continued rise in importance of cross-border funds in Europe, underlined by the finding that such funds attracted inflows of €220.7bn in 2012, compared with just €9.7bn for European funds only sold domestically.

Looking at individual fund management groups, new analysis reveals the average annual sales for fund groups in Europe over the past ten years. This list is headed by PIMCO (€8.7bn), Franklin Templeton (€7.8bn) and BlackRock (€7.8bn).

1. Ranking excludes money market funds and funds of funds

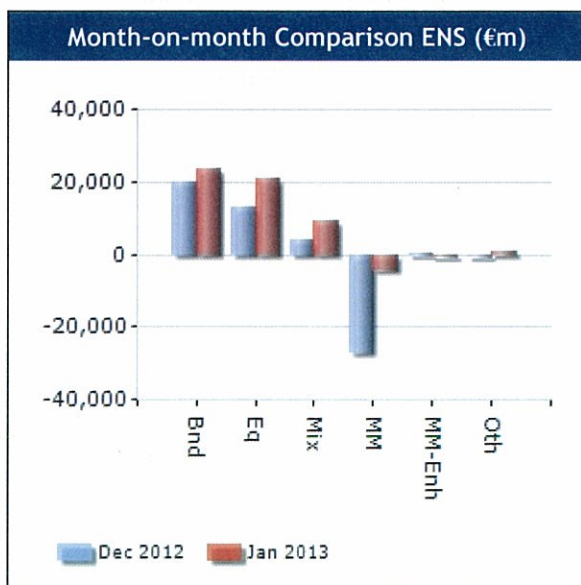
March 2013, Data at January 2013



Note: European Data Map excludes international activity

Top 5 Markets by TNA Jan 13 (€bn)			
Market	Assets	Mth Grth	As %
International	2,096.3	37.1	1.8
United Kingdom	730.0	-11.4	
Germany	459.3	6.2	1.4
France	288.6	3.4	1.2
Italy	277.7	2.0	0.7
Rest	978.1	10.7	
Total	4,830.0	48.0	

Top 5 Markets by ENS in Jan 13 (€m)	
Fund Market	Est Net Sales
International	43,482.7
Germany	3,506.4
Switzerland	1,618.8
Italy	1,456.7
Belgium	693.0
Rest	3,656.2
Total	54,413.8



Top Sectors in Jan 13 (€m)	
Eq Em Mkt	5,707.8
Asset Alloc	5,561.9
Bnd Gl Curr	4,747.9
Eq Global	4,388.0
Bnd Em Mkt Loc Cur	3,893.8

Bottom Sectors in Jan 13 (€m)	
Eq UK	-1,820.6
FF Hdge	-1,363.1
Bnd Eur CIG	-1,157.9
Guarant'd	-903.6
FF Guarant	-626.3

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