



## • MARCH IN BRIEF:

- The European funds industry enjoyed net inflows to long-term mutual funds of €35.8bn for March 2014.
- **Single fund market flows for long-term funds showed a mixed picture for March, with the United Kingdom (+€6.8bn), Italy (+€4.0bn), and Spain (+€2.7bn) leading the table. Meanwhile, Denmark (-€0.6bn), Austria (-€0.4bn) and The Netherlands (-€0.4bn) stood on the other side.**
- Bond funds—with estimated net inflows of €21.5bn—were the best selling asset class overall for March.
- **Lloyds/SWIP, with net sales of €5.4bn, was the best selling group of long-term funds for March, ahead of BlackRock (+€1.9bn) and UBS (+€1.8bn).**
- Provisional figures for Luxembourg- and Ireland-domiciled funds suggest that bond funds, with estimated net inflows of around €14.4bn, will be the best selling products for April 2014.
- Read commentary from Lipper's Research team globally at: [lipperinsight.thomsonreuters.com](http://lipperinsight.thomsonreuters.com)
- To read our **European Fund Market Review 2014** - Click [here](#)

## European investors favour bond funds in 2014

The European mutual fund industry enjoyed overall net inflows of €35.8bn into long-term mutual funds for March 2014, which drove up the net inflows for first quarter 2014 to €112.4bn. The net inflows for March were driven mainly by flows into bond funds (+€21.5bn), followed by mixed-asset funds (+€8.5bn) and equity products (+€3.6bn). Also, funds from the "other" peer group (+€1.7bn), property products (+€0.3bn), as well as alternative/hedge funds (+€0.1bn) and commodity funds (+€0.03bn) saw net inflows.

In addition to the long-term mutual funds, enhanced money market products enjoyed net inflows of €0.3bn, while money market funds themselves faced net outflows of €7.2bn for March 2014. Despite the net outflows for February and March, money market funds still posted net inflows of €15.1bn for first quarter 2014.

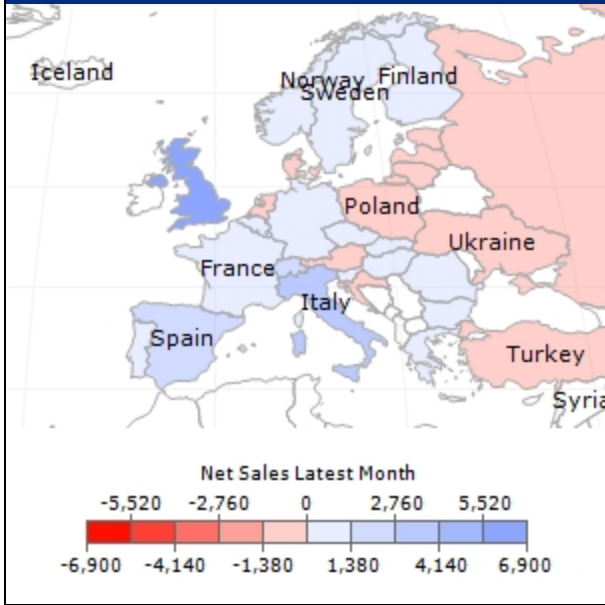
With regard to long-term funds, asset allocation products (+€5.7bn) were the best selling asset class, followed by bonds UK Gilt (+€5.6bn) and equities specialty (+€2.5bn) as well as bonds flexible (+€2.5bn) and bonds USD corporate investment-grade (+€2.4bn). At the other end of the spectrum bonds global currencies (-€1.4bn) suffered net outflows, bettered somewhat by equities Euroland (-€1.3bn) as well as guaranteed funds (-€1.2bn), equities emerging markets funds (-€1.1bn), and equities Pacific ex-Japan funds (-€0.9bn).

Remarkably, the flows into bonds UK Gilt funds were driven by the **Scottish Widows Gilt Fund**, which enjoyed net inflows of €5.6bn because of a restructuring of existing assets from life and pension funds at Lloyds/Scottish Widows.

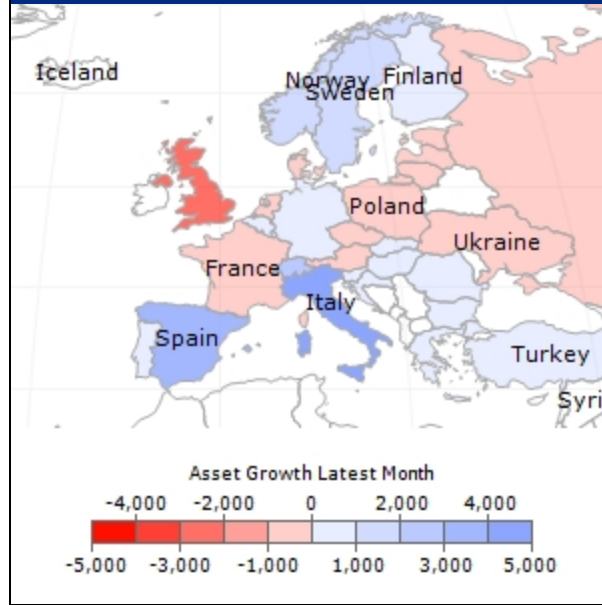
## Early indicators for April activity

Looking at Luxembourg- and Ireland-domiciled funds, bond funds—with projected net inflows of around €14.4bn—might be the best selling asset class for April, followed by equity funds (+€8.4bn) and mixed-asset products (+€4.6bn). Even though these numbers are estimates, it seems bond funds continue in European investors' favour in 2014.

### Map of Estimated Net Sales in Mar 14 (€m)



### Map of Asset Growth in Mar 14 (€m)



Note: European Data Map excludes international activity

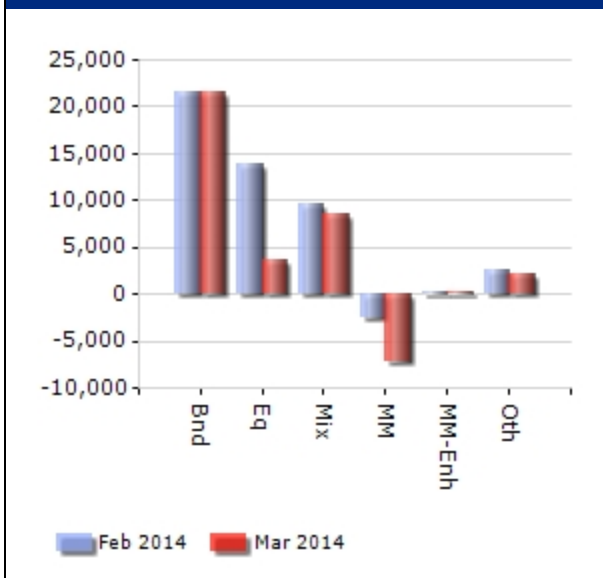
### Top 5 Markets by Asset Mar 14 (€bn)

Fund Market	Assets	Mth Grwth
International	2,513.3	25.6
United Kingdom	862.1	-3.0
Germany	494.4	0.3
France	322.9	-0.5
Italy	321.4	5.0
Rest	1,116.9	8.7
<b>Total</b>	<b>5,631.0</b>	<b>36.0</b>

### Top 5 Markets by ENS in Mar 14 (€m)

Fund Market	Est Net Sales
International	20,071.0
United Kingdom	6,804.3
Italy	4,020.0
Spain	2,731.9
Switzerland	1,556.2
Rest	868.8
<b>Total</b>	<b>36,052.2</b>

### Month-on-month Comparison ENS (€m)



### Top Sectors in Mar 14 (€m)

Asset Alloc	5,647.9
Bnd UK Gilt	5,558.7
Eq Speciality	2,536.1
Bnd Flex	2,462.7
Bnd USD CIG	2,391.7

### Bottom Sectors in Mar 14 (€m)

Bnd GI Curr	-1,392.0
Eq Euroland	-1,252.1
Guarant'd	-1,223.7
Eq Em Mkt	-1,066.4
Eq Pac ex Jpn	-939.4

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

### Top Master Groups by Sales in Mar 14 (€m)

Master Group Names	Assets	Est Net Sales
Lloyds/SWIP	95,680.1	5,436.1
BlackRock	334,874.7	1,920.3
UBS	153,049.5	1,823.3
JP Morgan	102,182.5	1,622.9
Intesa SP	105,089.3	1,435.3

### Top Master Groups by Assets Growth (€m)

Master Group Names	Assets Latest Month	TNA Growth Latest Year
BlackRock	334,874.7	51,124.3
JP Morgan	102,182.5	20,256.8
Schroders	112,004.3	13,592.6
Invesco	91,814.2	13,159.8
Prudential/M&G	106,193.2	12,672.9

### Launches: Top Sectors by Assets in Mar 14



■ Bnd Flex 15%    ■ Eq UK 8%  
■ Asset Alloc 10%    ■ Bnd CHF 6%  
■ Protected 9%    ■ Rest 53%

### Launches: Assets by domicile in Mar 14



■ Luxembourg 66%    ■ Guernsey 4%  
■ Italy 8%    ■ United Kingdom 4%  
■ Switzerland 7%    ■ Rest 11%

### Top 5 Funds by Sales in Mar 14 (€m)

Master Groups	Fund Name	Fund Domicile	ENS
Lloyds/SWIP	Scottish Widows Gilt	United Kingdom	5,633.1
Allianz GI	Allianz Global Investors Fund - Allianz Income and Growth	Luxembourg	958.6
Morgan Stanley	Morgan Stanley-Diversified Alpha Plus Fund	Luxembourg	883.7
Prudential/M&G	M&G Optimal Income Fund	United Kingdom	881.8
ING	ING (L) Renta Fund Emerging Markets Debt (Local Currency)	Luxembourg	730.2

### Top 5 Funds by Sales YTD (€m)

Fund Name	Fund Investment Type	ENS
Scottish Widows Gilt	Bond	5,630.7
DNB AM Kort Obligasjon 2	Bond	3,276.7
DNB AM Kort Obligasjon	Bond	2,983.5
M&G Optimal Income Fund	Bond	2,556.5
Morgan Stanley-Diversified Alpha Plus Fund	Mixed Assets	2,336.4