

• JUNE IN BRIEF:

- It was all-change in June with net sales of long-term funds in Europe struggling to hit €2bn, although equity ETFs helped push the overall total to €2.9bn.
- **The quiet summer season began with investors taking their cue from the escalating crisis in Greece and turning the sales tap down to a dribble. Meanwhile, the smart money was anticipating interest rate rises in the US and taking profits on their bond holdings. Fixed income funds suffered a cull not seen since the last bond tantrum exactly two years ago.**
- The mixed asset category was the one ray of light; some marginal slackening of pace was evident but it nonetheless registered nearly €17bn of new money – well ahead of last year's monthly average of €10bn.
- **With retail investors backing large retail brands, BlackRock was the month's asset manager leader and the only group to register over €2bn of net inflows. Interestingly, despite the bond cull it was flexible bonds that accounted for BlackRock's largest gains.**
- The top-selling fund of the month was also from BlackRock – its Fixed Income Global Opportunities fund, which took just under €1bn of net inflows in June.
- To read our **European Fund Market Review 2015** - Click [here](#)

Bond tantrum – an echo of 2013

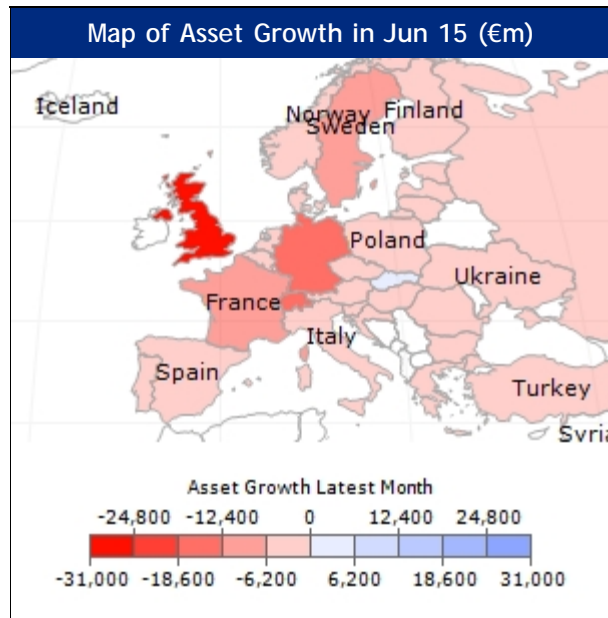
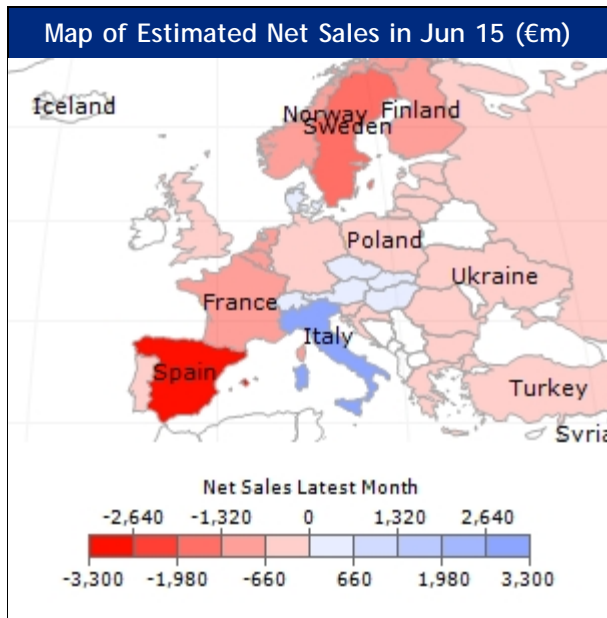
It began in May but took real shape in June as market uncertainty, fuelled particularly by the latest episode of the Greek debt tragedy, left all the major European bourses registering losses that averaged over 5%. This was a significant correction, not seen since June 2013 when markets went into a brief tantrum following the withdrawal of quantitative easing by the Fed. Then investors pulled €26bn from their bond holdings, most of which was subsequently reinvested although it took six months before the pace of sales was finally restored.

This June the pain was less severe. Clearly, those investors that jumped into the bond markets when Draghi introduced his QE programme earlier in the year were taking their profits before US interest rates inflicted damage to the sector. The biggest beneficiaries of QE were the Euro-denominated bond sectors and they, inevitably, suffered the largest withdrawals. But it was not all doom and gloom for bonds - global and Asian currency options maintained healthy traction.

Mixed asset train rolls on

Retail investors, or at least those that are migrating their savings into mixed asset funds, took scant notice of the deteriorating markets. Their promise of limited downside continued to appeal to those in search of yield so volumes remained healthy, if a little slack when compared to the bumper totals seen between February and April. They continue to suck up flows that a decade ago might have been pumped into equities. In June, equities suffered another month of redemption despite a €1bn positive contribution from ETFs and solid support for European and Japanese stock funds.

But, some things never change and one is the mid-year withdrawals from French money market funds. This month it amount to €20bn, 74% of the total suffered by this beleaguered asset class.



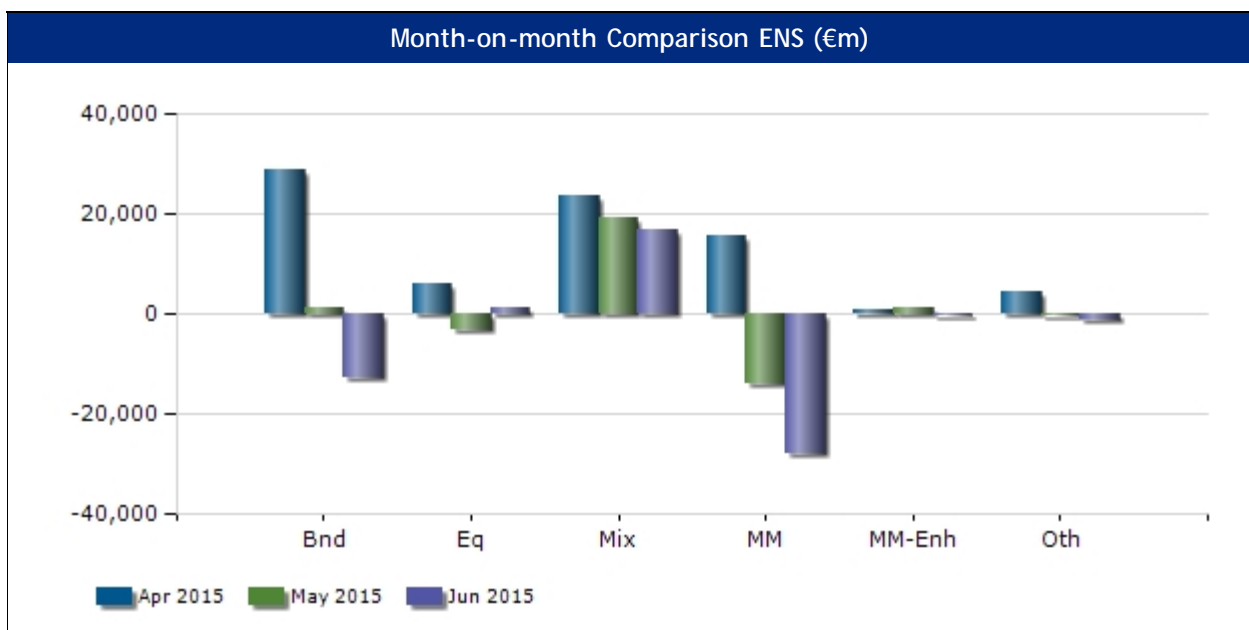
Note: European Data Map excludes international activity

Top 5 Markets by Asset Jun 15 (€bn)

Fund Market	Assets	Mth Grwth
International	3,360.2	-95.3
United Kingdom	1,104.3	-30.1
Germany	544.6	-14.6
Switzerland	401.1	-12.7
Italy	399.9	-1.2
Rest	1,297.9	-48.0
Total	7,107.9	-201.9

Top 5 Markets by ENS in Jun 15 (€m)

Fund Market	Est Net Sales
International	9,606.3
Italy	3,190.0
Switzerland	600.2
Denmark	338.7
Austria	206.6
Rest	-10,519.9
Total	3,422.0



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

Launches: Top Sectors by Assets in Jun 15



■ Bnd GI HY 19% ■ Asset Alloc 13%
■ Eq Europe Ex UK 14% ■ Mix Bal 7%
■ Eq Global 14% ■ Rest 33%

Launches: Assets by domicile in Jun 15



■ United Kingdom 46% ■ Italy 6%
■ Luxembourg 33% ■ France 3%
■ Ireland 11% ■ Rest 1%

Top Selling Sectors Latest 12 Months (€m)

Asset Alloc	93,442.5
FF Cons	37,947.5
Mix Cons	31,400.8
Bnd GI Curr	30,979.9
Mixed Assets Income	30,652.6
Mix Bal	28,014.5
Bnd Eur CIG	27,255.4
FF Bal	23,993.0
Bnd Eur	21,360.2
FF Asset Alloc	20,662.0

Top Selling Sectors in Jun 15 (€m)

Asset Alloc	8,679.9
Mix Bal	2,994.2
Bnd GI Curr	2,728.1
Mixed Assets Income	2,672.3
FF Cons	2,485.8
FF Asset Alloc	2,380.0
Eq Japan	1,970.6
FF Bal	1,842.4
Eq Europe	1,611.7
Eq Euroland	1,360.5

Bottom Selling Sectors Latest 12 months

Bnd USD Corp HY	-17,957.2
Guarant'd	-14,767.5
Targ Mat Euroland	-11,236.4
Derivatives	-8,208.4
Bnd GI HY	-7,529.1
Eq DE	-6,836.2
Eq Em Mkt	-6,697.5
Bnd Em Mkt Loc Cur	-6,585.4
Eq UK	-5,098.3
Eq Nth Am	-4,981.1

Bottom Selling Sectors in Jun 15

Bnd Eur	-7,713.5
Bnd Eur CIG	-3,355.3
Guarant'd	-1,930.4
Bnd Em Mkt Loc Cur	-1,500.7
Eq Nth Am	-1,357.0
Eq Pac ex Jpn	-1,351.9
Targ Mat Euroland	-1,343.8
Eq China	-1,053.8
Bnd SEK	-1,017.6
FF Sh-T Dyn	-962.6

Top Master Groups by Sales in Jun 15 (€m)

Groups	Nat	Assets	Net Sales
BlackRock	US	457,215.2	2,069.3
Vanguard	US	82,497.2	1,972.6
Intesa SP	IT	143,334.5	1,797.4
UBS	CH	211,564.3	1,567.0
GAM Holding	CH	72,487.7	1,310.2

Top Master Groups by Assets Growth (€m)

Groups	Nat	Assets	Assets Growth LY
BlackRock	US	457,215.2	97,184.1
UBS	CH	211,564.3	49,165.8
DeAWM	DE	228,077.8	41,727.4
Intesa SP	IT	143,334.5	31,517.1
JP Morgan	US	141,893.4	30,974.7

Top 10 Selling Funds in Jun 15 (€m)

Fund Name	Domicile	ENS
BlackRock Global Funds - Fixed Income Global Opportunities Fund	Luxembourg	925.4
Julius Baer Multiflex - Global Multi-Asset Income	Luxembourg	905.0
Standard Life Investments Global - Global Absolute Return Strategies Fund	Luxembourg	766.0
Mercer QIF CCF - Passive Global Equity CCF	Ireland	647.6
Eastspring Investments Asian Local Bond	Luxembourg	646.3
Fidelity Funds - China Focus Fund	Luxembourg	576.8
LPI Obligationer Europa, v < 3	Denmark	554.2
Interfund Euro Currency	Luxembourg	538.7
JPMorgan Investment Funds - Global Income	Luxembourg	523.6
Eastspring Investments Asian Bond	Luxembourg	519.3

Top 5 Selling Funds Latest Quarter (€m)

Fund Name	Type	ENS
SSgA UK Equity Tracker	Equity	4,190.5
SSgA Europe ex UK Equity Tracker	Equity	3,020.2
Standard Life Investments Global - Global Absolute Return Strategies Fund	Mixed Assets	2,093.7
Allianz Global Investors Fund - Allianz European Equity Dividend	Equity	2,018.9
BlackRock Global Funds - Fixed Income Global Opportunities Fund	Bond	1,831.3