

**• OCTOBER IN BRIEF:**

- Net sales bounce back after the late summer rout with €24bn of new money, just short of the monthly average set so far this year.
- **The search for alpha was back on and whilst ETFs contributed €6bn of inflows, passives (including index trackers) accounted for just a third of all net sales.**
- After a prolonged period on the sidelines equities were back in play, posting their best month for more than two years. Bonds, though, barely made it back into the black and would have suffered a fifth month of redemptions without ETF input.
- **In a dramatic turn of fortunes, the Equity Europe sector displaced Asset Allocation as Europe's bestselling sector. And, proving that risk remains a preoccupation amongst investors, liquid alternatives in the form of Equity Speciality rose to third place on the leaderboard.**
- The sales crown remained on BlackRock's head with its nearest contender, KBC, posting half the leader's volumes. BlackRock's success this month was heavily based on ETFs (€4bn).
- **Excluding ETFs and liquidity funds, it was BlackRock's alternative European Absolute Return fund that scored the largest inflows of the month: €522m.**

**In search of value**

After the upheavals of the summer market correction, the final quarter started at a brisk pace with investors grabbing the chance to build some gains in their moribund portfolios in the full knowledge that interest rates in the US were unlikely to start their upward climb until the end of the year. With markets swinging upwards, equities were the most promising option, particularly European stock funds, which have been on the buy list all year but never really shown their form. This month's equity flow, at €18bn, was the best since January 2013 and it lifted year-to-date volumes from their previously supine position.

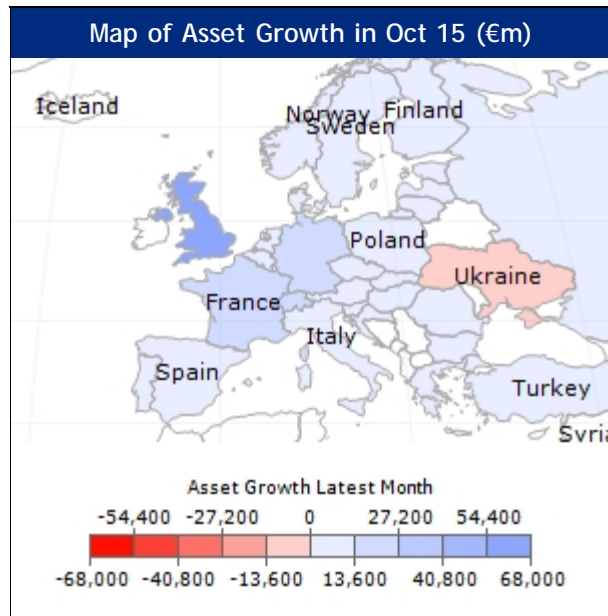
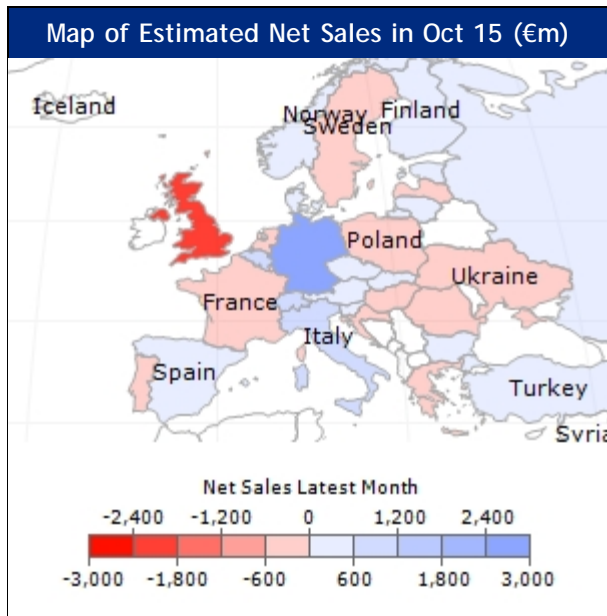
Fixed income fortunes were less promising and look likely to remain in the doldrums whilst the interest rate issue plays out. Net inflows just surfaced above the zero line but only because of a €3bn contribution from ETFs. Meanwhile the perennial star, mixed assets, shared some of the spoils of the latest rebound with €7bn of inflows. This was an impoverished total when compared with earlier months of the year, but it was an improvement on the low point posted in September.

**Looking at some success stories**

The slower pace of mixed asset fund sales in recent months dampens but does not diminish their extraordinary success this year. By the end of October this category of funds had received cumulative net inflows of €163bn, which is 78% of the entire long-term fund total (excluding ETFs). Money market funds have also delivered a sales performance surprise; despite their unappealing yields, institutions and risk-averse investors have flocked back to this portfolio staple. Net sales volumes for the year to date, at €65bn, are now the best since 2007.

**What next?**

Risk, or rather, the reluctance to invest in risk assets is likely to be the dominant theme of the final quarter. Retail investors, who pumped so much money into mixed asset funds at the start of the year, have had a bit of a scare and are taking a more cautious line with their savings. This view seems to be at odds with the latest uptick in equity investment but the equity story is more closely linked to sophisticated investors who were taking advantage of reduced values in anticipation of additional QE measures by the ECB. The equity rush may prove to be quite temporary.



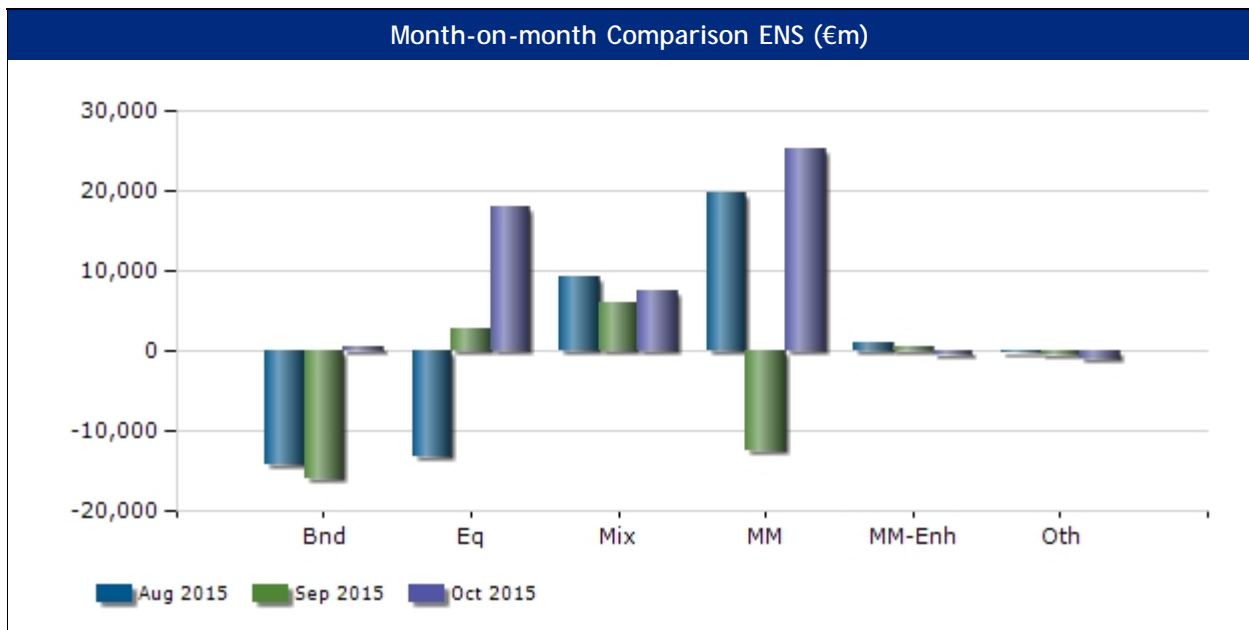
Note: European Data Map excludes international activity

### Top 5 Markets by Asset Oct 15 (€bn)

Fund Market	Assets	Mth Grwth
International	3,329.7	179.7
United Kingdom	1,092.7	67.4
Germany	547.1	22.2
Italy	405.0	11.4
Switzerland	404.9	17.0
Rest	1,278.1	53.6
<b>Total</b>	<b>7,057.5</b>	<b>351.2</b>

### Top 5 Markets by ENS in Oct 15 (€m)

Fund Market	Est Net Sales
International	19,280.7
Germany	3,216.1
Switzerland	1,181.5
Belgium	956.7
Italy	749.2
Rest	-652.6
<b>Total</b>	<b>24,731.6</b>



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 Oct 15



Asset Alloc 14% Bnd GI Curr 8%  
Eq Euroland 9% Eq Global 7%  
Bnd Flex 9% Rest 54%

Launches: Assets by domicile in Oct 15



Luxembourg 48% United Kingdom 8%  
Italy 13% Sweden 5%  
Ireland 12% Rest 14%

Top Selling Sectors Latest 12 Months (€m)

Asset Alloc	95,548.7
FF Cons	34,133.6
Eq Europe	30,548.1
Mix Cons	29,372.7
Mix Bal	28,083.9
Mix Income	25,990.5
FF Bal	24,251.9
Eq Speciality	22,052.2
Bnd GI Curr	20,556.4
FF Asset Alloc	20,369.7

Top Selling Sectors in Oct 15 (€m)

Eq Europe	3,533.5
Asset Alloc	3,124.0
Eq Speciality	2,938.4
Eq Em Mkt	2,800.6
Eq Global	2,009.8
Bnd GI HY	1,791.8
Bnd Eur	1,605.9
Mix Cons	1,601.1
Mix Income	1,523.9
Eq Europe Ex UK	1,239.5

Bottom Selling Sectors Latest 12 months

Guarant'd	-14,366.6
Eq Nth Am	-12,181.1
Eq Em Mkt	-12,046.8
Targ Mat Euroland	-11,569.3
Bnd Em Mkt Loc Cur	-11,285.8
Eq China	-11,138.7
Bnd USD Corp HY	-9,476.2
Eq Pac ex Jpn	-9,214.0
Eq Global	-7,165.6
Derivatives	-5,376.8

Bottom Selling Sectors in Oct 15

Bnd Flex	-3,434.8
Bnd Em Mkt	-1,171.6
Eq Nth Am S/Mid	-1,032.0
Guarant'd	-1,027.4
Bnd Eur Sh-T	-825.0
Bnd USD Corp HY	-675.7
Protected	-671.2
Eq UK	-637.0
Bnd Speciality	-542.3
Bnd Em mkt Corp	-423.2

### Top Master Groups by Sales in Oct 15 (€m)

Groups	Nat	Assets	Net Sales
BlackRock	US	469,208.5	5,177.6
KBC	BE	62,792.8	2,572.1
JP Morgan	US	139,137.7	1,693.8
UBS	CH	209,765.3	1,592.3
Vanguard	US	87,128.0	1,561.9

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

Groups	Nat	Assets	Assets Growth LY
BlackRock	US	469,208.5	88,626.9
UBS	CH	209,765.3	35,729.5
DeAWM	DE	228,810.8	31,287.1
Intesa SP	IT	144,152.1	24,598.5
Invesco	US	124,760.7	22,030.5

### Top 10 Selling Funds in Oct 15 (€m)

Fund Name	Domicile	ENS
BlackRock Strategic Funds - European Absolute Return Fund	Luxembourg	522.6
Aviva Investors - Global High Yield Bond	Luxembourg	493.2
Arca 2020 Reddito Multivalore VI	Italy	464.6
PIMCO GIS Income Fund	Ireland	461.6
iShares EURO STOXX 50 UCITS ETF	Ireland	460.1
JPMorgan Investment Funds - Global Income	Luxembourg	447.5
Coronation Global Emerging Markets Fund	Ireland	436.8
IFM-Invest: Renten Europa	Luxembourg	433.0
Aviva Investors - Emerging Markets Local Currency Bond	Luxembourg	402.6
Vanguard Investment Series Plc - Vanguard US 500 Stock Index Fund	Ireland	400.1

### Top 5 Selling Funds Latest Quarter (€m)

Fund Name	Type	ENS
UniGlobal Vorsorge	Equity	8,191.4
Invesco Perpetual Global Targeted Returns	Mixed Assets	1,732.2
Natixis Trésorerie Plus	Money Market Enhanced	1,586.2
Swisscanto (CH) Index Bond Fund Total Market AAA-BBB CHF	Bond	1,565.3
CF Woodford Equity Income	Equity	1,050.7