

**SEPTEMBER IN BRIEF:**

- The third quarter closes on another month of redemptions, made more acute by cyclical money market withdrawals from French investors. Long-term funds, however, see reduced outflows of €8bn.
- **ETFs help to alleviate some of the discomfort but their gains amount to a fairly paltry €1.3bn.**
- The hazard lights shine directly on fixed income funds, as investors pull €17bn from a wide array of government and more risky holdings. This is the worst month for bonds since the 2013 taper tantrum.
- **Short-term bond funds prove to be an enticing safe haven for some but others take advantage of equity values in European stocks. Meanwhile, the perennial favourite, asset allocation, maintains its grip on the hopes of retail investors.**
- BlackRock once again takes the crown, gathering €1.2bn of inflows in this month of drought. Italian giant, Intesa SanPaolo continues to snap at its heels, vying for top spot on the leader board. In the active arena Intesa has the edge on BlackRock but by a very small margin.
- **In the chase back to safe-haven products, a short-term dynamic product from Natixis scored the largest net inflows of just over €1bn.**
- State Street re-domiciles a range of index trackers from France to Luxembourg. The funds appear as new launches worth €8bn in assets but the inflows more or less correspond to outflows from the French products.

**Bond exit as investors anticipate interest rate rise**

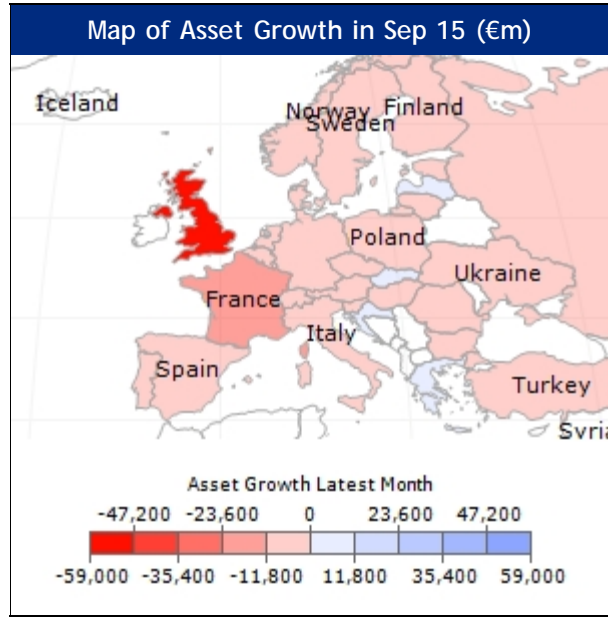
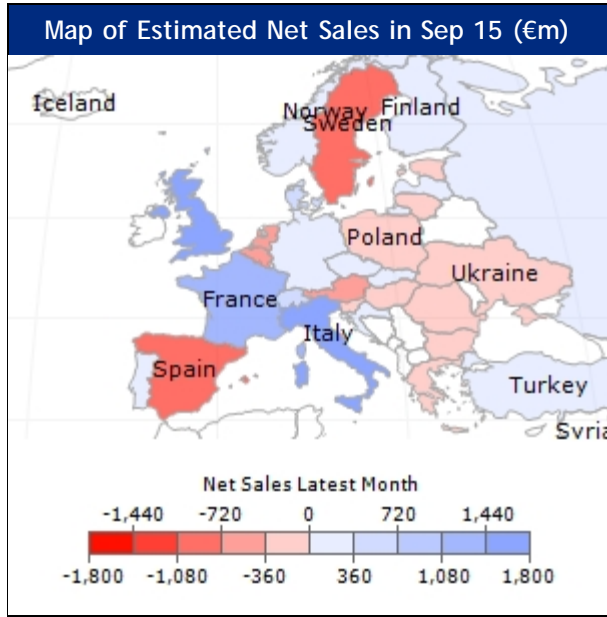
September was always going to be a tricky month for European asset managers; not only were global bourses in an ongoing state of stress over China's declining growth prospects, but it was also a quarter date when portfolio advisers tend to review their client holdings and re-allocate for the final quarter. Redemptions were, of course, the order of the day. Withdrawals of €8bn were light when compared with the €18bn of outflows suffered in August, but a nasty bond sell-off (-€17bn) was cause for concern. Investors continue to be fearful of interest-rate rises, and although the US Federal Reserve held its hand in September, anticipation continues to drive sentiment. This month's bond outflows were the worst seen for two years and have now pushed the year-to-date total down to just €40bn.

**Mixed messages:** The headline data hid a number of mixed messages. On the one hand was a flight to safety, revealed by the popularity of a number of short-term bond products, but then the traditional retreat of the fearful - money market - was also in redemption. In reality this was a sector that did quite well, particularly in Germany, Italy and the UK. However, cyclical outflows from French institutional products swamped other areas of success.

An equity rebound amounting to €3bn of inflows gave the impression that there were some adventurers in the market looking to take advantage of declining stock values. This certainly seems to have been the case in France, where investors pumped over €1bn into locally domiciled products, and the UK where volumes rose to €2.5bn. There was no single heavy-hitter; the sales volumes were, rather, the result of a small dribble of money into a large number of stock funds, principally in the European Equity sector. Another test of retail appetite was the near-€7bn of net sales achieved by mixed asset funds. The mixed asset category is the undoubted success story of 2015. September's total was diminutive by recent standards but it was a further addition to the record-breaking flows of €158bn recorded so far this year. No other asset class comes close.

**What next?** The reluctance of the Fed to increase interest rates in September has produced a brief respite to the market upheavals that should translate into a calmer final quarter.

November 2015, Data at September 2015



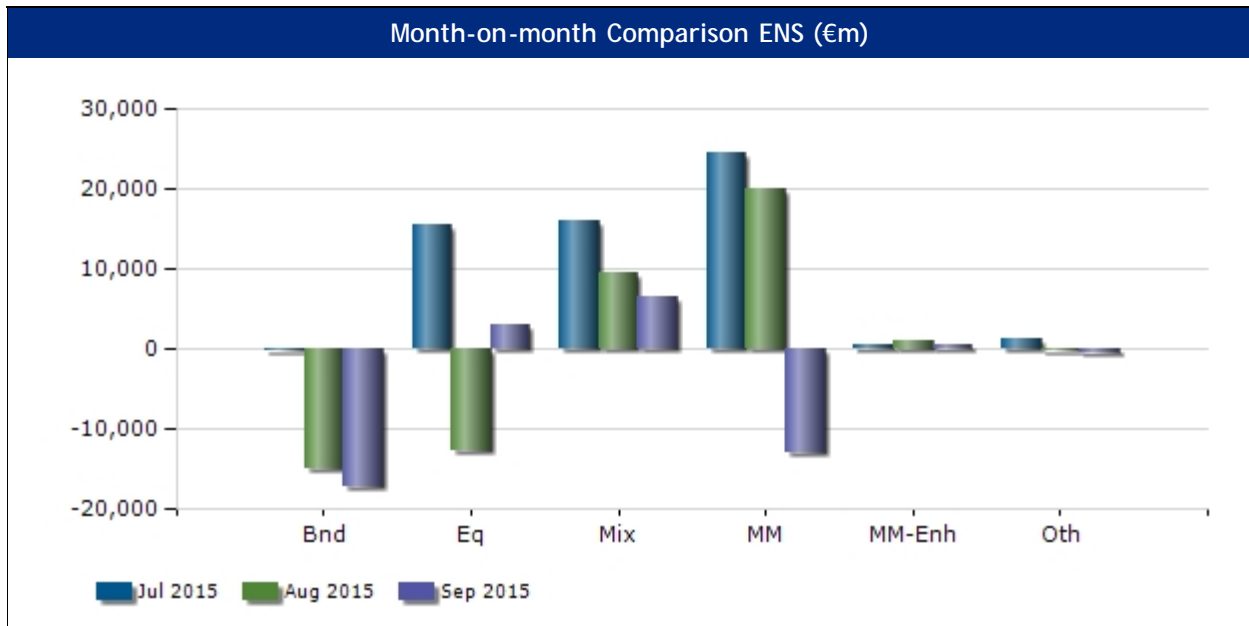
Note: European Data Map excludes international activity

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

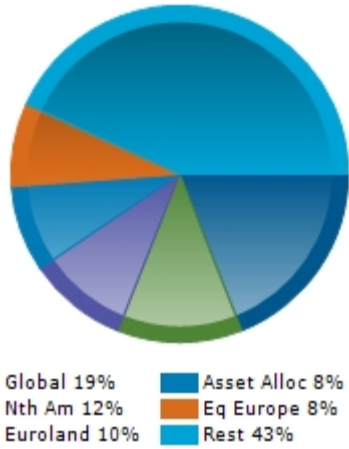
Fund Market	Assets	Mth Grwth
International	3,149.0	-120.2
United Kingdom	1,026.8	-58.8
Germany	525.2	-9.5
Italy	393.8	-5.4
Switzerland	387.7	-11.2
Rest	1,224.3	-35.0
<b>Total</b>	<b>6,706.8</b>	<b>-240.1</b>

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

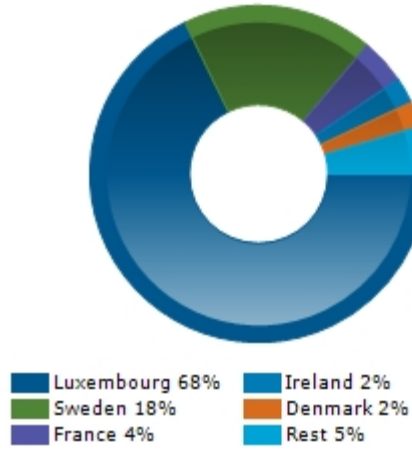
Fund Market	Est Net Sales
United Kingdom	1,728.1
Italy	1,641.5
Switzerland	640.9
France	522.7
Denmark	402.7
Rest	-13,075.7
<b>Total</b>	<b>-8,139.8</b>



Launches: Top Sectors by Assets in Sep 15



Launches: Assets by domicile in Sep 15



Top Selling Sectors Latest 12 Months (€m)

Asset Alloc	105,491.8
FF Cons	35,979.2
Mix Bal	30,177.7
Mix Cons	29,452.6
Mix Income	26,639.6
FF Bal	24,560.0
Eq Europe	23,208.1
Bnd GI Curr	21,836.8
Eq Speciality	20,033.6
FF Asset Alloc	19,311.5

Top Selling Sectors in Sep 15 (€m)

Asset Alloc	4,280.8
Eq Europe	3,119.9
Eq Euroland	1,819.9
Eq Speciality	1,781.5
Bnd Eur Sh-T	1,510.8
FF Bal	964.8
Mix Bal	932.4
Eq Europe Ex UK	885.9
Mix Cons	882.7
Real Est	774.5

Bottom Selling Sectors Latest 12 months

Eq Em Mkt	-17,180.4
Guarant'd	-14,614.1
Eq Global	-12,997.8
Targ Mat Euroland	-12,178.0
Eq China	-11,755.5
Bnd Em Mkt Loc Cur	-11,750.1
Eq Pac ex Jpn	-10,225.3
Bnd USD Corp HY	-8,224.7
Eq Nth Am	-7,277.5
Bnd GI HY	-6,445.9

Bottom Selling Sectors in Sep 15

Bnd Em Mkt	-2,754.7
Bnd Flex	-2,202.0
Bnd Eur CIG	-2,045.0
Bnd GI Curr	-1,532.8
Eq Pac ex Jpn	-1,409.0
Bnd Eur	-1,212.2
Bnd Em Mkt Loc Cur	-1,209.1
Eq Nth Am	-1,204.5
FF Sh-T Dyn	-1,113.1
Eq China	-1,047.1

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

Groups	Nat	Assets	Net Sales
Natixis	FR	73,075.7	1,237.0
BlackRock	US	435,687.3	1,178.8
Intesa SP	IT	141,417.7	1,105.8
Vanguard	US	79,729.3	1,028.9
Standard Life	GB	93,057.5	1,021.5

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

Groups	Nat	Assets	Assets Growth LY
BlackRock	US	435,687.3	60,266.1
UBS	CH	198,386.4	26,824.9
Intesa SP	IT	141,417.7	23,742.5
DeAWM	DE	217,862.6	21,719.5
Vanguard	US	79,729.3	17,190.2

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

Fund Name	Domicile	ENS
Pioneer Structured Solution Fund - Progetto Cedola 09/2020	Luxembourg	729.3
Findlay Park American	Ireland	516.6
DNB AM Kort Obligasjon 2	Norway	466.8
Babson Capital Global Loan	Ireland	453.4
Standard Life Global Absolute Return Strategies	United Kingdom	437.6
KBC Bonds Strategic Euro Corporate Bonds	Luxembourg	425.5
CF Woodford Equity Income	United Kingdom	393.9
ZILUX Hedge Fund 1	Luxembourg	381.2
UBAM Global High Yield Solution	Luxembourg	356.2
Winton Diversified Program	British Virgin Islands	353.7

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

Fund Name	Type	ENS
UniGlobal Vorsorge	Equity	8,217.5
Julius Baer Multiflex - Global Multi-Asset Income	Mixed Assets	2,395.9
Invesco Perpetual Global Targeted Returns	Mixed Assets	2,315.4
Natixis Trésorerie Plus	Money Market Enhanced	1,587.6
Swisscanto (CH) Index Bond Fund Total Market AAA-BBB CHF	Bond	1,560.6