

• JANUARY IN BRIEF:

- With shock waves rumbling through global bourses, investors ran for cover redeeming an uncomfortable €33bn from long-term funds.
- **This was the industry's worst month since the taper tantrum of June 2013 but the outflows were alleviated slightly by €5.5bn of flows into passive funds, of which €1.7bn went into ETFs.**
- With the minor exception of real estate, all other long-term sectors slumped into the red led by fixed income, which is now in deficit over the latest 12-month period.
- **It was not all bad news; those groups with strong uncorrelated products, particularly in the alternative space, had a good month and in the ETF arena Euroland stock funds saw solid support.**
- Standard Life took BlackRock's crown as the group posting the best inflows (€1.3bn). Its strength came from its UK home market.
- **The bestselling fund of this difficult month was a new launch from US-house, Legg Mason. Its US Mortgage Backed Securities fund saw inflows of €725m.**

Ouch!

The New Year began with a painful slap in the face for Europe's asset managers as global stock markets posted their worst January performance since 2009. Investors inevitably took urgent protective measures and the result was a month of redemptions that came close to matching the bitter taper-tantrum experience of June 2013. In fact the only market to buck the trend was Switzerland where the safe-haven move typically tends to be a reversion to locally invested products, and so it was this month with inflows into CHF bond and equity funds.

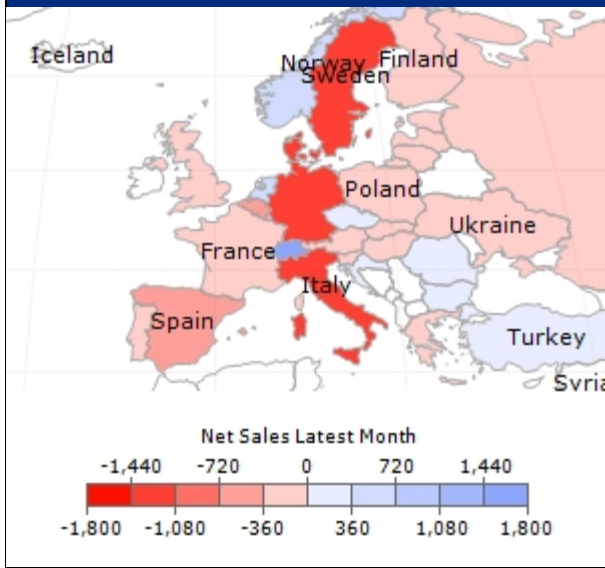
All long-term asset classes were mired in red with the small exception of real estate funds, which are traditionally viewed as a safe-haven product in countries like Germany, Austria and the UK. More interesting, though, was the exit from the previously bubbly mixed asset segment -- its first month of redemptions since mid-2012. The volume of withdrawals was small at under €1bn so although there were plenty of funds that saw modest outflows, there were equally many that boasted a good month of sales. This was a case of retail investors turning the tap of new money off rather than running away with a sour taste in their mouths. Not so for bonds which suffered outflows that closely matched those of the taper tantrum. The difference now is that the recovery we saw in 2013 is unlikely to be repeated in 2016. The latest withdrawals were the steepest of a run on the sector that has now stretched to seven consecutive months.

Outflows from equity funds were inevitable but, given the collapse in market performance, they were quite slight at well under €10bn. Interestingly, poor market performance did not deter passive take-up and these funds saw €4bn of inflows.

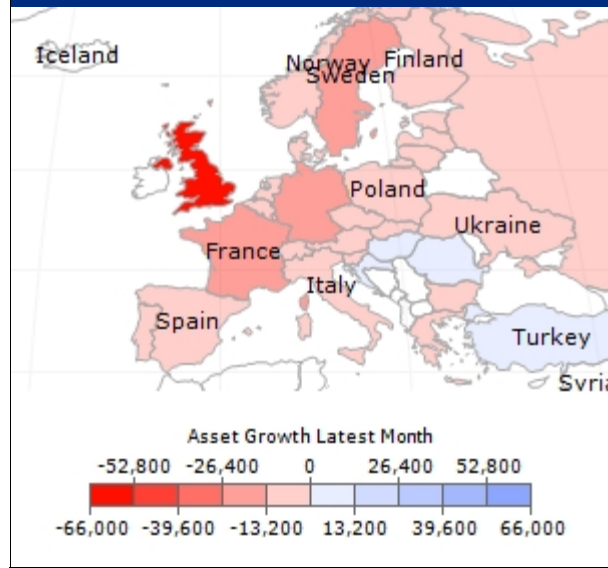
What next?

The markets began to pull themselves together in February so the big question is whether investor sentiment will rebound as it did in 2013. Then, investors jumped back into funds with purchases that more than compensated for the previous month's withdrawals. This time around we suspect their response will be considerably less animated. The large body of sophisticated investors that are looking for deals may start to step up to the plate in February but we are unlikely to see the net picture turn black until March.

Map of Estimated Net Sales in Jan 16 (€m)



Map of Asset Growth in Jan 16 (€m)



Note: European Data Map excludes international activity

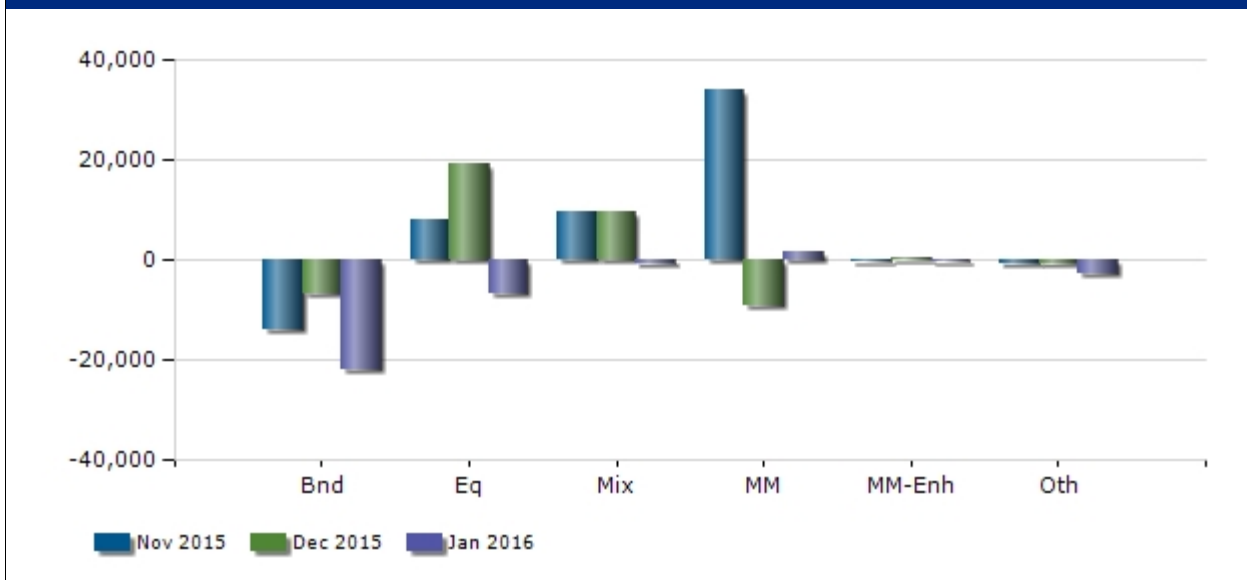
Top 5 Markets by Asset Jan 16 (€bn)

Fund Market	Assets	Mth Grwth
International	3,229.2	-141.2
United Kingdom	993.0	-65.8
Germany	528.7	-17.3
Italy	394.3	-10.3
Switzerland	391.0	-11.2
Rest	1,217.0	-54.8
Total	6,753.2	-300.6

Top 5 Markets by ENS in Jan 16 (€m)

Fund Market	Est Net Sales
Switzerland	1,749.5
Netherlands	588.1
Norway	431.1
Croatia	96.6
Turkey	47.1
Rest	-35,528.1
Total	-32,615.6

Month-on-month Comparison ENS (€m)



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 Jan 16



Eq Europe 29%
Conv Bnd & Ops 13%
Eq Nth Am 10%
ABS 10%
Guarant'd 3%
Rest 33%

Launches: Assets by domicile in Jan 16



Luxembourg 71%
Ireland 12%
Spain 5%
Italy 3%
Belgium 3%
Rest 6%

Top Selling Sectors Latest 12 Months (€m)

Asset Alloc	47,003.0
Asset Alloc Alt	46,056.4
Eq Europe	35,218.5
FF Cons	27,358.5
Eq Alt	27,084.7
Mix Cons	26,108.7
FF Bal	21,720.2
Mix Bal	20,716.2
FF Asset Alloc	20,325.5
Eq Euroland	20,121.3

Top Selling Sectors in Jan 16 (€m)

Eq Alt	2,233.6
Eq Euroland	2,118.3
Asset Alloc Alt	1,835.8
Bnd CHF	1,341.7
ABS	1,127.8
Eq UK	965.6
Eq Europe	881.0
Eq Switz	751.0
Eq Europe Ex UK	712.4
Eq DE	662.9

Bottom Selling Sectors Latest 12 months

Eq Nth Am	-22,676.5
Guarant'd	-13,244.3
Targ Mat Euroland	-12,359.9
Derivatives	-12,241.5
Eq China	-11,558.1
Eq Pac ex Jpn	-11,493.5
Bnd Em Mkt Loc Cur	-9,845.5
Bnd Em Mkt	-8,482.0
Bnd USD Corp HY	-8,081.3
Eq Global	-7,070.3

Bottom Selling Sectors in Jan 16

Bnd Eur CIG	-3,323.0
Bnd Em Mkt	-2,956.2
Bnd Flex	-2,873.0
Bnd USD Corp HY	-2,749.6
Bnd GI HY	-2,681.6
Eq Global	-1,920.4
Bnd GI Curr	-1,755.3
Conv Bnd & Ops	-1,749.8
Mix Income	-1,719.2
Eq Nth Am	-1,660.3

Top Master Groups by Sales in Jan 16 (€m)

Groups	Nat	Assets	Net Sales
Standard Life	GB	93,363.9	1,273.9
Nordea	SE	116,732.4	777.2
Aviva Group	GB	49,993.8	720.5
Royal London	GB	31,097.1	641.0
Northern Trust	US	6,105.4	571.4

Top Master Groups by Assets Growth (€m)

Groups	Nat	Assets	Assets Growth LY
BlackRock	US	452,599.1	26,324.4
Intesa SP	IT	140,275.4	13,095.9
Vanguard	US	83,953.8	8,717.6
Nordea	SE	116,732.4	7,920.8
State Street	US	47,144.5	6,843.6

Top 10 Selling Funds in Jan 16 (€m)

Fund Name	Domicile	ENS
Legg Mason Western Asset US Mortgage-Backed Securities Fund	Ireland	725.3
Lyxor UCITS ETF EURO STOXX 50	France	649.7
JPMorgan Investment Funds - Global Macro Opportunities	Luxembourg	633.9
UniImmo: Europa	Germany	585.7
iShares Core MSCI World UCITS ETF	Ireland	558.0
DNB Global Indeks	Norway	452.1
DNB AM Lang Obligasjon	Norway	423.8
Standard Life Global Absolute Return Strategies	United Kingdom	409.8
UBS (CH) Institutional Fund 3 - CHF Exposure	Switzerland	394.5
Kairos International Bond	Luxembourg	385.1

Top 5 Selling Funds Latest Quarter (€m)

Fund Name	Type	ENS
Standard Life Investments Global - Global Absolute Return Strategies Fund	Mixed Assets	1,620.0
Nordea Institutional Investment Fund, SICAV-FIS Diversified Risk Fund	Bond	1,437.1
PUB Equities Emerging Markets 2	Equity	1,337.2
PUB Equities Emerging Markets	Equity	1,262.6
JPMorgan Investment Funds - Global Macro Opportunities	Mixed Assets	1,076.9