



## • DECEMBER IN BRIEF:

- The European funds industry suffered net outflows of €1.4bn from long-term mutual funds for December 2014.
- **Single fund market flows for long-term funds showed a mixed but positive picture for December; 12 of the 33 markets covered in this report showed net inflows. The single market with the highest net inflows for December was Italy (+€2.5bn), followed by Sweden (+€2.2bn) and the United Kingdom (+€2bn). Meanwhile, the international fund hubs (-€8.3bn), Norway (-€2.6bn), and Portugal (-€0.2bn) stood on the other side.**
- Mixed-asset products—with estimated net inflows of €11.6bn—were once again the best selling asset class overall for December.
- **Vanguard, with net sales of €2.6bn, was the best selling group of long-term funds for December, ahead of Nordea (+€1.3bn) and Amundi (+€1bn).**
- Provisional figures for Luxembourg- and Ireland-domiciled funds suggest bond funds, with estimated net inflows of around €11bn, will be the best selling products for January 2015.
- 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 shy away from mutual funds in December 2014

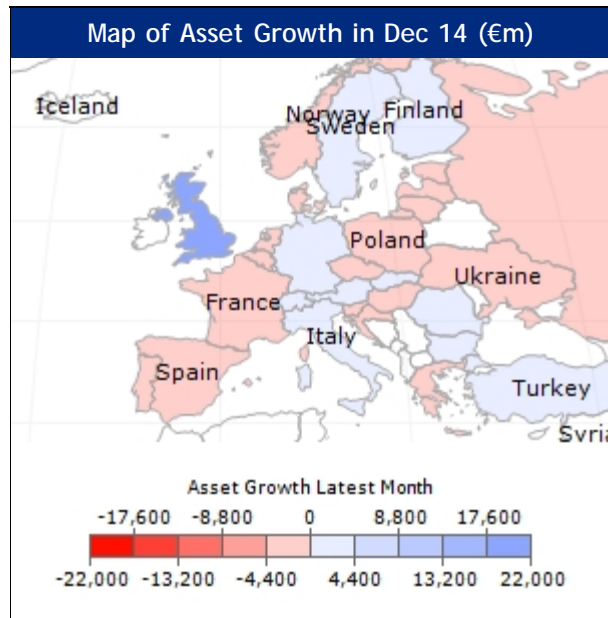
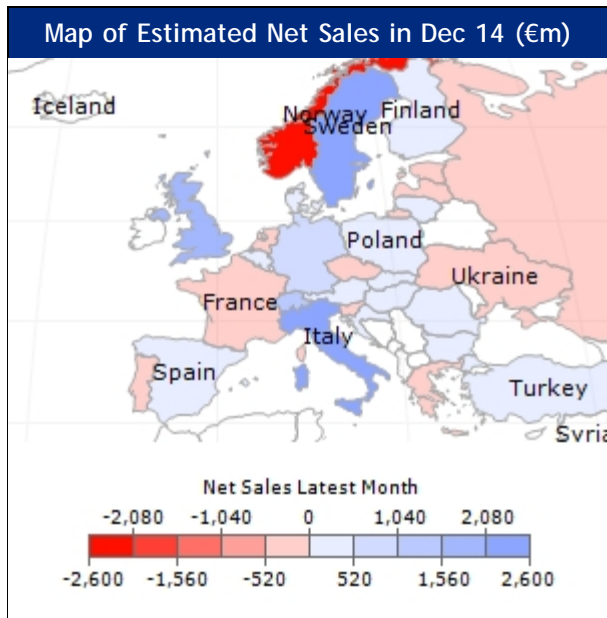
The European mutual fund industry experienced net outflows (-€1.4bn) from long-term mutual funds for December. In the rough market conditions mixed-asset funds (+€11.6bn) and property funds (+€0.3bn) were the only asset classes with net inflows, while bond funds (-€5.7bn) and equity funds (-€5.4bn) as well as "other" funds (-€1.4bn), commodity funds (-€0.5bn), and alternative/hedge products (-€0.3bn) suffered net outflows for December. The outflows for December brought down the full year net inflows to €348bn.

In line with the long-term products, money market products also faced net outflows for December; money market funds posted outflows of €17.6bn, whereas enhanced money market funds enjoyed small net inflows of €0.03bn. These flows drove down the full-year net inflows for 2014 to money market products to €19.6bn.

According to the overall net flows, asset allocation (+€7.4bn) was the best selling sector with regard to long-term funds, followed by bonds EUR corporate investment-grade funds (+€3.3bn) and bonds EUR funds (+€3.3bn). At the other end of the spectrum bonds USD corporate HY funds suffered net outflows (-€4.5bn), bettered somewhat by bonds global HY funds (-€3.2bn) as well as equities Germany funds (-€2.1bn) and bonds emerging markets in local currencies funds (-€2bn).

## Early indicators for January activity

While the focus of this report is to summarize comprehensive data on mutual fund flows across Europe for December 2014 (see above and over), there is also an opportunity to provide some early indicators of provisional flows data for January 2015. Looking at Luxembourg- and Ireland-domiciled long-term mutual funds, bond funds—with projected net inflows of around €11.0bn—should be the best selling asset class for January, followed by mixed-asset funds (+€7.6bn) and equity products (+€5.5bn). Even though these numbers are estimates, it seems European investors are back in a risk-on mode and are buying back into equity funds.



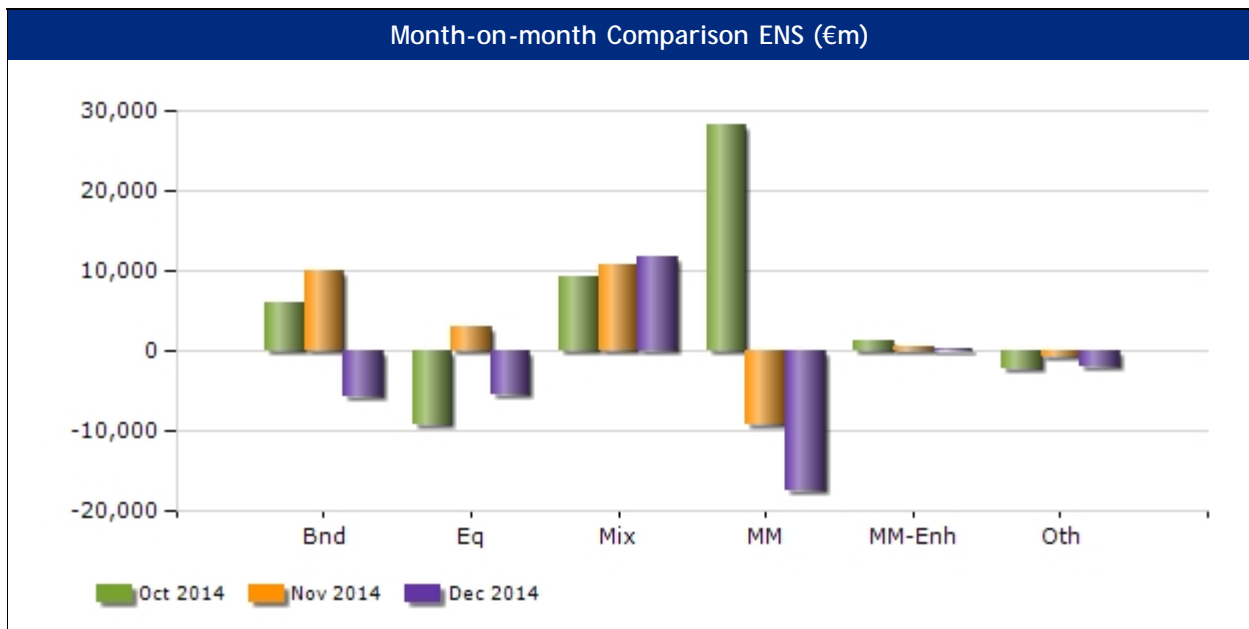
Note: European Data Map excludes international activity

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

Fund Market	Assets	Mth Grwth
International	2,910.5	11.0
United Kingdom	966.5	21.4
Germany	534.7	1.4
Italy	371.9	1.9
Switzerland	349.6	2.5
Rest	1,201.6	-9.8
<b>Total</b>	<b>6,334.8</b>	<b>28.4</b>

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

Fund Market	Est Net Sales
Italy	2,485.6
Sweden	2,215.3
United Kingdom	2,008.5
Germany	801.7
France	517.6
Rest	-9,456.4
<b>Total</b>	<b>-1,427.7</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 Dec 14



Asset Alloc 21%    Eq Global 10%  
 Bnd Eur 14%    Targ Mat Euroland 9%  
 Bnd GI Curr 10%    Rest 36%

Launches: Assets by domicile in Dec 14



Luxembourg 61%    Netherlands 4%  
 Italy 24%    United Kingdom 3%  
 Ireland 6%    Rest 3%

Top Selling Sectors Latest 12 Months (€m)

Asset Alloc	70,853.5
Bnd Eur	31,634.2
Mix Cons	29,583.7
Bnd Eur CIG	25,968.5
Eq Nth Am	25,144.7
Bnd Flex	24,162.2
FF Cons	21,237.3
Mix Bal	18,858.8
Eq Speciality	14,769.0
FF Bal	14,569.3

Top Selling Sectors in Dec 14 (€m)

Asset Alloc	7,352.4
Bnd Eur CIG	3,320.0
Bnd Eur	3,303.7
Eq Nth Am	2,150.4
FF Cons	2,064.1
Mix Bal	1,738.3
Mix Cons	1,725.8
FF Bal	1,623.0
Bnd GI Curr	1,141.7
Eq Switz	1,114.3

Bottom Selling Sectors Latest 12 months

Bnd USD Corp HY	-15,190.7
Guarant'd	-14,568.9
Eq DE	-9,823.7
Bnd USD	-4,336.7
Eq UK	-3,882.0
Eq Eur S/Mid	-3,373.3
Eq Lat Am	-3,151.7
Eq Euroland	-3,140.1
Bnd Infl-link	-2,859.1
Bnd GI HY	-2,805.0

Bottom Selling Sectors in Dec 14

Bnd USD Corp HY	-4,521.7
Bnd GI HY	-3,203.6
Eq DE	-2,135.4
Bnd Em Mkt Loc Cur	-1,983.6
Eq Em Mkt	-1,808.4
Eq China	-1,231.8
Bnd NOK	-1,139.4
Bnd Em Mkt	-1,107.2
FF Sh-T Dyn	-930.3
Bnd Infl-link	-705.9

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

Groups	Nat	Assets	Net Sales
Vanguard	US	67,871.5	2,584.8
Nordea	SE	99,141.9	1,258.8
Amundi	FR	112,931.0	1,026.1
Intesa SP	IT	123,110.8	1,025.0
Generali	IT	27,866.6	1,011.5

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

Groups	Nat	Assets	Assets Growth LY
BlackRock	US	391,617.0	71,351.6
DeAWM	DE	206,175.0	34,730.1
UBS	CH	178,018.5	32,626.1
JP Morgan	US	125,843.1	28,740.2
Prudential/M&G	GB	125,821.4	23,329.7

### Top 10 Selling Funds in Dec 14 (€m)

Fund Name	Domicile	ENS
FORTUNA INVEST - Risk Control	Switzerland	804.9
BlackRock Dynamic Diversified Growth	Jersey	721.0
Vanguard Investment Series Plc - Vanguard S&P 500 UCITS ETF	Ireland	711.5
Allianz Global Investors Fund - Allianz Income and Growth	Luxembourg	697.0
UniInstitutional European Real Estate	Germany	690.7
CF Woodford Equity Income	United Kingdom	663.0
Nordea 1 - Stable Return Fund	Luxembourg	661.6
iShares Core S&P 500 UCITS ETF (USD)	Ireland	540.7
iShares EURO STOXX 50 UCITS ETF (DE)	Germany	505.0
Portfolio LCR Allocation	France	500.1

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

Fund Name	Type	ENS
iShares Core S&P 500 UCITS ETF (USD)	Equity	2,507.8
Vanguard Investment Series Plc - Vanguard S&P 500 UCITS ETF	Equity	2,097.4
Allianz Global Investors Fund - Allianz Income and Growth	Mixed Assets	1,750.1
SSgA EUR Ultra Short Bond Fund	Bond	1,585.2
Nordea 1 - Stable Return Fund	Mixed Assets	1,469.7