

LIPPER FUND FLASH

MONTHLY SNAPSHOT OF EUROPEAN TRENDS



FEBRUARY IN BRIEF

- **Long-term fund sales (excluding money market funds) in Europe totalled €28.8bn in February**, above the €20bn mark for the seventh consecutive month.
- **Mixed assets funds attracted inflows of €7.9bn in February, meaning that the first two months of the year have seen the greatest inflows to the asset class in Lipper's sales records (since 2002).**
- Money market fund sales were essentially flat (€240m), as investors withdrew from £ and €-denominated funds, while investing in US\$-denominated funds, thus moving industry-wide fund sales up to €29bn when this activity is included.
- **Cross-border funds attracted inflows of €22.2bn** (excluding money market funds), nearly 50% lower than January's total, although still above the 2012 monthly average of €18.3bn.
- **JPMorgan made a return to the list of best-selling groups with inflows of €1.6bn, behind BlackRock (€3.2bn) and PIMCO (€2.0bn).** Aberdeen (€1.4bn) and Franklin Templeton (€1.3bn) also enjoyed net sales above €1bn this month.

European Fund Market Review
45 pages on the state of the industry
<http://bit.ly/lipperreports>

DOWN BUT NOT OUT

Long-term fund sales in Europe fell by 47% in February, but still remained above the €20bn mark (€28.8bn) for the seventh consecutive month. Bond (€9.4bn) and equity (€10.4bn) fund sales were hit in equal measure, but investors' recent buying habits mean that the total for the former represents a 9-month low, while the total for equity funds still looks healthy considering the prior 18-month slump in sales that only picked up significantly in December 2012.

While inflows to asset allocation funds (mixed asset funds without asset class restrictions) remained particularly strong (€4.8bn), elsewhere flows were fairly widely spread. Emerging market and global funds maintained their popularity in both equities (GEM funds €2.4bn; Global funds €2.3bn) and bonds (€2.3bn for Global currencies; €3.5bn into local and hard currency emerging market products), but this was accompanied by healthy sales of European (€1.4bn) and US (€1.1bn) equity funds, as well as € bond funds (€1.2bn). That investor preferences are changing can also be seen with sales of high yield bond funds reaching a 9-month low (albeit still €1bn).

Mixed assets funds attracted inflows of €7.9bn in February, meaning that the first two months of the year have seen the greatest inflows to the asset class in Lipper's sales records (since 2002). While much of this activity relates to asset allocation funds, Balanced (€2.2bn) and Conservative (€960m) products have also prospered.

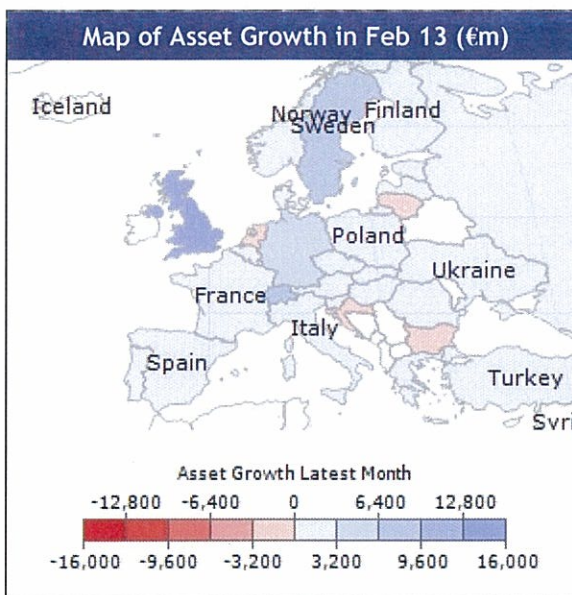
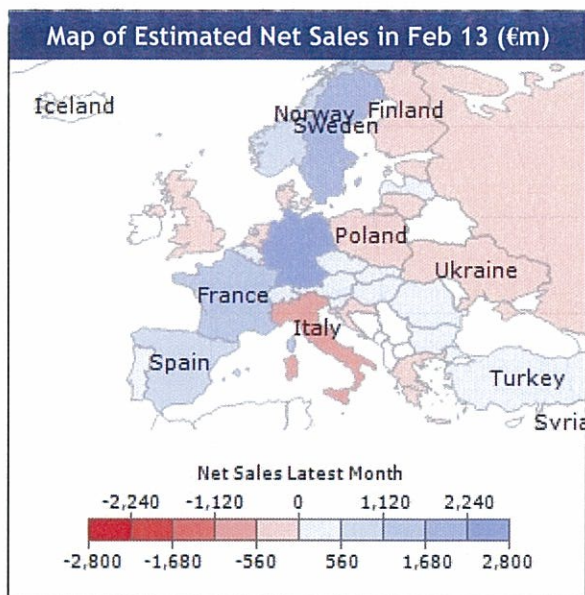
Spanish return

The strong sales generated from German fund investors that were highlighted last month were again conspicuous in February, although funds sold internationally remain very firmly at the forefront of European activity overall. Fund sales actually improved again in Spain, proving that January's shift into positive territory was no flash in the pan - after 21 consecutive months of outflows. UK investors remain wary of investing outside the mixed assets arena, highlighted by the fact that there were sizeable withdrawals from both UK equity funds (-€1bn) and GBP Corporate bond funds (-€700m).

1. Ranking excludes money market funds and funds of funds

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April 2013, Data at February 2013



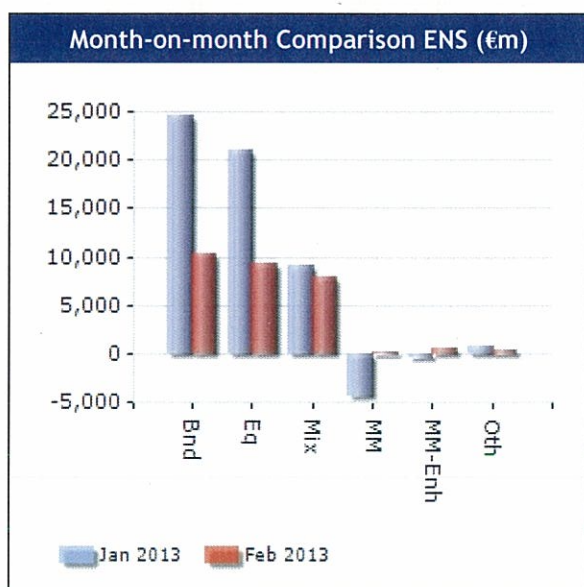
Note: European Data Map excludes international activity

Top 5 Markets by TNA Feb 13 (€bn)

Market	Assets	Mth Grth	As %
International	2,168.6	72.6	3.5
United Kingdom	745.6	15.9	2.2
Germany	465.5	6.0	1.3
France	291.3	2.9	1.0
Italy	278.1	0.0	0.0
Rest	1,008.6	23.2	
Total	4,957.7	120.6	

Top 5 Markets by ENS in Feb 13 (€m)

Fund Market	Est Net Sales
International	22,192.5
Germany	2,728.8
Sweden	1,723.1
France	1,166.4
Spain	879.0
Rest	86.8
Total	28,776.6



Top Sectors in Feb 13 (€m)

Asset Alloc	4,798.5
Bnd Flex	2,473.0
Bnd Em Mkt Loc Cur	2,416.7
Eq Em Mkt	2,382.0
Eq Global	2,277.0

Bottom Sectors in Feb 13 (€m)

Bnd Eur CIG	-1,374.5
Eq UK	-1,040.5
FF Hdge	-980.9
Bnd USD	-888.7
Commod	-742.5

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