

LIPPER FUND FLASH

MONTHLY SNAPSHOT OF EUROPEAN TRENDS



MARCH IN BRIEF

- **Long-term fund sales (excluding money market funds) in Europe totalled €30.4bn in March**, above the €20bn mark for the eighth consecutive month.
- Money market funds suffered outflows (-€4.2bn), as investors withdrew from US\$ and €-denominated funds, thus reducing industry-wide fund sales to €26.2bn when this activity is included.
- **Sales of bond funds were up (reaching €17.3bn), while equity fund sales were down by nearly €4bn** to €5.6bn, while those for mixed asset products fell slightly (to €7.1bn).
- **Absolute return funds reached the €200bn milestone in assets under management.** Sales for these products this month hit €6.3bn.
- JPMorgan improved on last month's achievement and was the best-selling group with inflows of €3.2bn, ahead of PIMCO (€2.8bn) and Franklin Templeton (€2.6bn). PIMCO was the top of the tree over the first quarter of the year with net sales of €9bn.

Reuters News articles featuring Lipper views and analysis:
<http://bit.ly/lipperviews>

Lipper Fund Awards - look back over this year's winners!
<http://tiny.cc/lipperawards2013>

SMALL CAPS RISING

Bond fund sales were up (by €6.4bn), equity fund sales were down (by €3.9bn), but overall activity in Europe was much the same this month as last, with net sales in March of €30.4bn (€30.2bn in February). Industry assets have increased by 4.7% over the first quarter of the year, to €6.22 trillion.

Under the surface some new themes may be emerging. The most striking is the level of inflows to smaller companies funds. Over the first quarter of the year, net sales for these funds reached €6.9bn (including Europe, US, UK, Swiss and Asian small cap equity products), which is the highest quarterly total in Lipper records (since 2002). This is significant not just for small cap managers, but also suggests that investors' interest in equities is taking deeper root - even if the headline figures for overall equity sales are less encouraging.

The impressive inflows to bond funds (€17.3bn this month) are largely the result of continued appetite for Global, Emerging Market and Flexible products, while inflows to high yield funds have bounced back from last month's lull to reach €4.4bn this month. The total activity for the broader asset class also reflects the fact that outflows from Euro-denominated bond funds (including short-term bonds) look to have been stemmed and inflows are now slowly building (€3.4bn over the quarter).

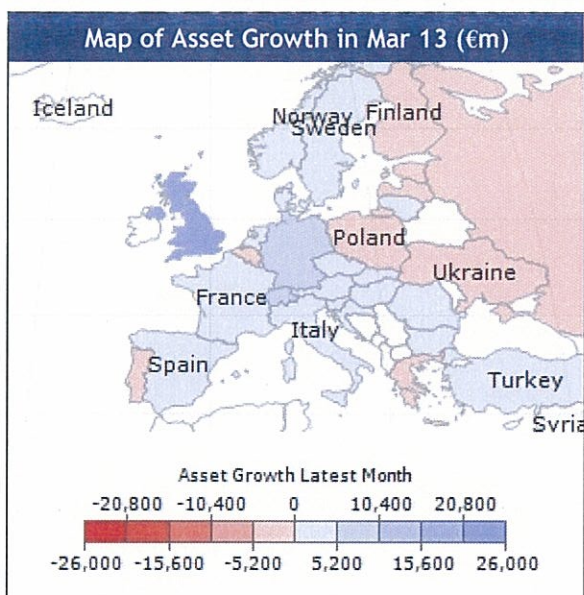
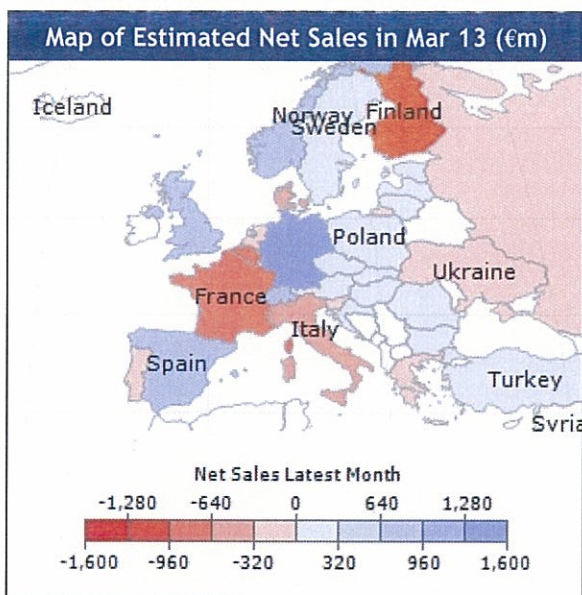
On the equity side, Japanese equities (net sales of €1.6bn in March) attracted greater flows than emerging market funds (€1.3bn), although global funds (€2.1bn) were the most popular equity sector. By contrast, UK equity funds continued to suffer outflows (-€1.2bn). It is worth adding that equity-based ETFs suffered outflows this month (-€130m), primarily from funds investing in the Eurozone (-€1.2bn).

Absolute milestone

A milestone was achieved by absolute return funds, where assets broke the €200bn mark for the first time. Here monthly sales of €6.3bn brought the year-to-date total to €16.6bn. Meanwhile convertible bond fund sales reached €4bn over the quarter, the best quarterly total for the sector since the first quarter of 2011.

1. Ranking excludes money market funds and funds of funds

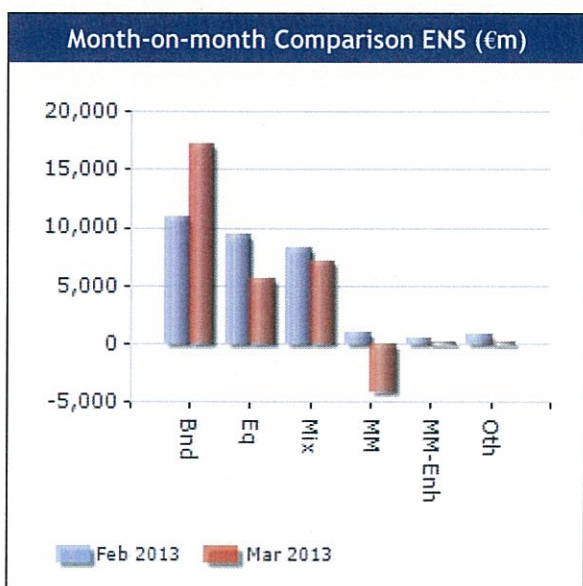
May 2013, Data at March 2013



Note: European Data Map excludes international activity

Top 5 Markets by TNA Mar 13 (cbn)			
Market	Assets	Mth Grth	As %
International	2,263.8	69.0	3.1
United Kingdom	771.7	26.0	3.5
Germany	474.8	6.2	1.3
Switzerland	301.2	6.1	2.1
France	292.6	0.9	0.3
Rest	1,026.8	8.7	
Total	5,130.8	116.9	

Top 5 Markets by ENS in Mar 13 (€m)	
Fund Market	Est Net Sales
International	28,276.2
Germany	1,578.5
United Kingdom	841.5
Spain	802.3
Norway	752.1
Rest	-1,864.5
Total	30,386.1



Top Sectors in Mar 13 (€m)	
Asset Alloc	5,255.8
Bnd GI Curr	4,521.1
Bnd Em Mkt Loc Cur	2,681.8
Bnd Flex	2,670.7
Bnd USD Corp HY	2,207.2

Bottom Sectors in Mar 13 (€m)	
Bnd Eur CIG	-1,879.9
Eq Euroland	-1,707.1
FF Sh-T Dyn	-1,501.0
Lifecycle	-1,497.2
Eq UK	-1,177.0

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