

# LIPPER FUND FLASH

## MONTHLY SNAPSHOT OF EUROPEAN TRENDS



### APRIL IN BRIEF

- **The European funds industry enjoyed inflows of €52.5bn in April, only the third time in the past five years that the monthly total has reached above €50bn.**
- Long-term fund sales (excluding money market funds) in Europe totalled €47.8bn in April, a 50% rise on last month's total.
- **Bond funds set a new one month net sales high of €35.4bn, beating October's total**, the largest total since Lipper began monitoring European fund flows in 2002.
- Equity fund sales fell to €2.8bn in April, although if one looks solely at **equity funds sold cross-border the total was €6.7bn, an increase from last month.**
- PIMCO returned to the top of the group sellers list (€5.3bn of net sales). Five groups in total breached the €2bn sales mark this month, with Franklin Templeton (€4.4bn), JPMorgan (€3.5bn), M&G (€2.6bn) and AXA (€2.4bn) in this group.

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## BORED BY BONDS?

Are European investors bored with bond funds? Not yet, if the sales of funds in April are anything to go by. It was only in October that the asset class generated a record level of inflows (compared to Lipper's sales monitoring since 2002), but this month's €35.4bn set the bar even higher. This helped to drive net sales for the industry as a whole above the €50bn mark for only the third time in the past five years.

One might have expected sales of equity funds to collapse in light of the near doubling of inflows to bonds, but while activity was down, net sales for the asset class stayed in positive territory (€2.8bn). There are two important aspects to consider here. First, when looking solely at funds sold cross-border equity fund sales actually improved slightly this month, up from €6.4bn to €6.7bn. Second, outflows from ETFs (-€1.3bn) dragged down the net sales total for equity funds across Europe, without which the total would have stood at €4.1bn.

Global and Flexible bond fund categories together attracted inflows of €12.7bn in April; amazingly this is double the average monthly sales for these funds over the past year. Sales of emerging market bond funds nudged up slightly (across local currency, hard currency and corporate funds) to €4.3bn, although this is below the level achieved in January (€7.8bn).

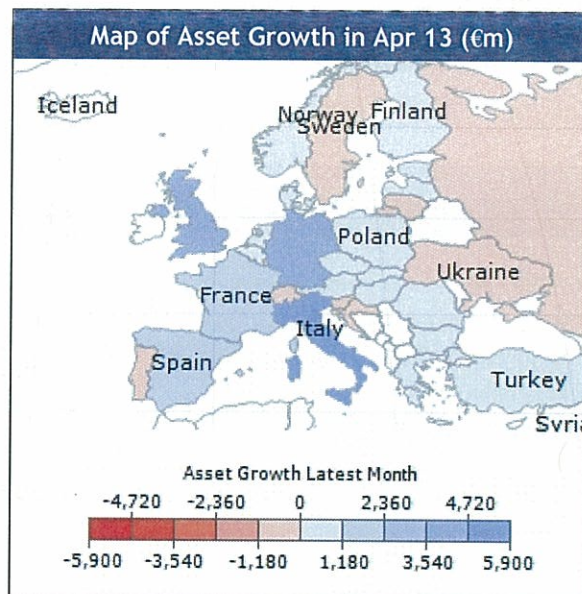
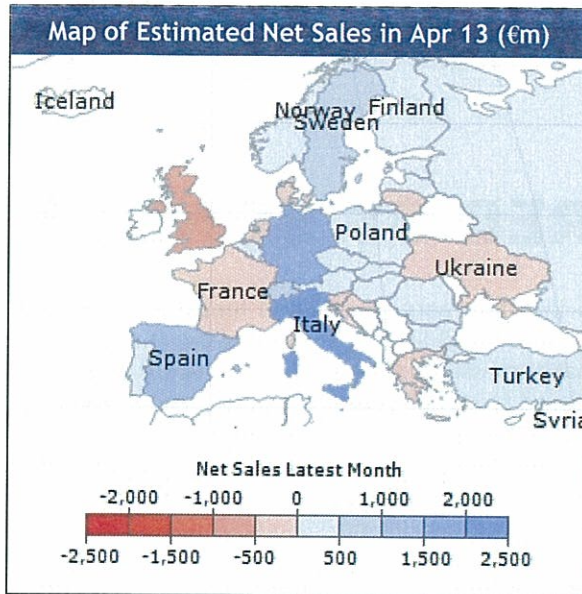
Small cap equity funds of different types again fared pretty well, with combined inflows of €3.8bn, headed by US and Japanese small caps. By contrast, UK equities suffered outflows for the twenty sixth month in a row (-€1.6bn in April), taking outflows from the sector to nearly -€40bn (-€39.7bn) since the sustained investor aversion began in earnest four years ago.

If appetite for emerging market debt is weakening slightly, then it is far more pronounced for emerging market equity funds, where sales dropped for the third month in a row, albeit still at a pretty healthy €1bn. Instead it was Japanese equity funds that were the most popular equity category this month, with net sales of €3.2bn, their largest monthly inflow since January 2006 (€5.1bn).

1. Ranking excludes money market funds and funds of funds

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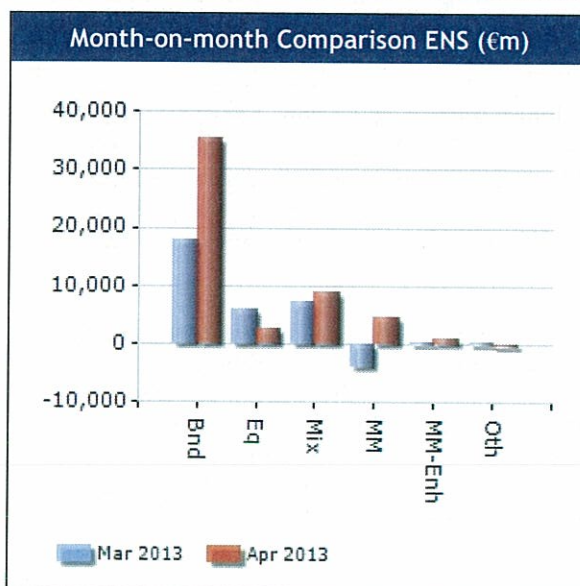
June 2013, Data at April 2013



Note: European Data Map excludes international activity

Top 5 Markets by TNA Apr 13 (€bn)			
Market	Assets	Mth Grth	As %
International	2,299.4	35.7	1.6
United Kingdom	777.2	4.3	0.6
Germany	479.0	4.4	0.9
Switzerland	300.2	-1.1	
France	295.0	1.6	0.5
Rest	1,038.6	11.2	
<b>Total</b>	<b>5,189.3</b>	<b>56.2</b>	

Top 5 Markets by ENS in Apr 13 (€m)	
Fund Market	Est Net Sales
International	40,538.9
Italy	2,483.4
Germany	1,813.6
Spain	1,307.0
Sweden	951.8
Rest	751.3
<b>Total</b>	<b>47,846.0</b>



Top Sectors in Apr 13 (€m)	
Bnd Gl Curr	7,137.5
Asset Alloc	4,356.9
Bnd USD Corp HY	3,905.3
Mix Bal	3,183.3
Eq Japan	3,159.9

Bottom Sectors in Apr 13 (€m)	
Eq UK	-1,573.9
FF Hdge	-1,264.2
Commod	-1,176.4
Eq Pac ex Jpn	-987.7
Eq China	-983.1

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