Quarterly Statistical Release

March 2017, N° 68

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Trends in the European Investment Fund Industry

in the Fourth Quarter of 2016

&

Results for the Full Year of 2016

This report was prepared by Bernard Delbecque and Alex Carroll

EFAMA
The European Fund and Asset Management Association

Rue Montoyer 47 - B-1000 BRUXELLES - Tel. 32-2-513.39.69 Fax: 32-2-513.26.43 - e-mail: info@efama.org

Highlights

2016 was another record year for the European investment fund industry, with net assets of European investment funds rising to an all-time high of EUR 14,142 billion and net sales of AIF reaching an all-time high of EUR 184 billion. Although lower than in the record-breaking years of 2014 and 2015, the net sales of UCITS were higher in 2016 than any single year from 2007 to 2013.

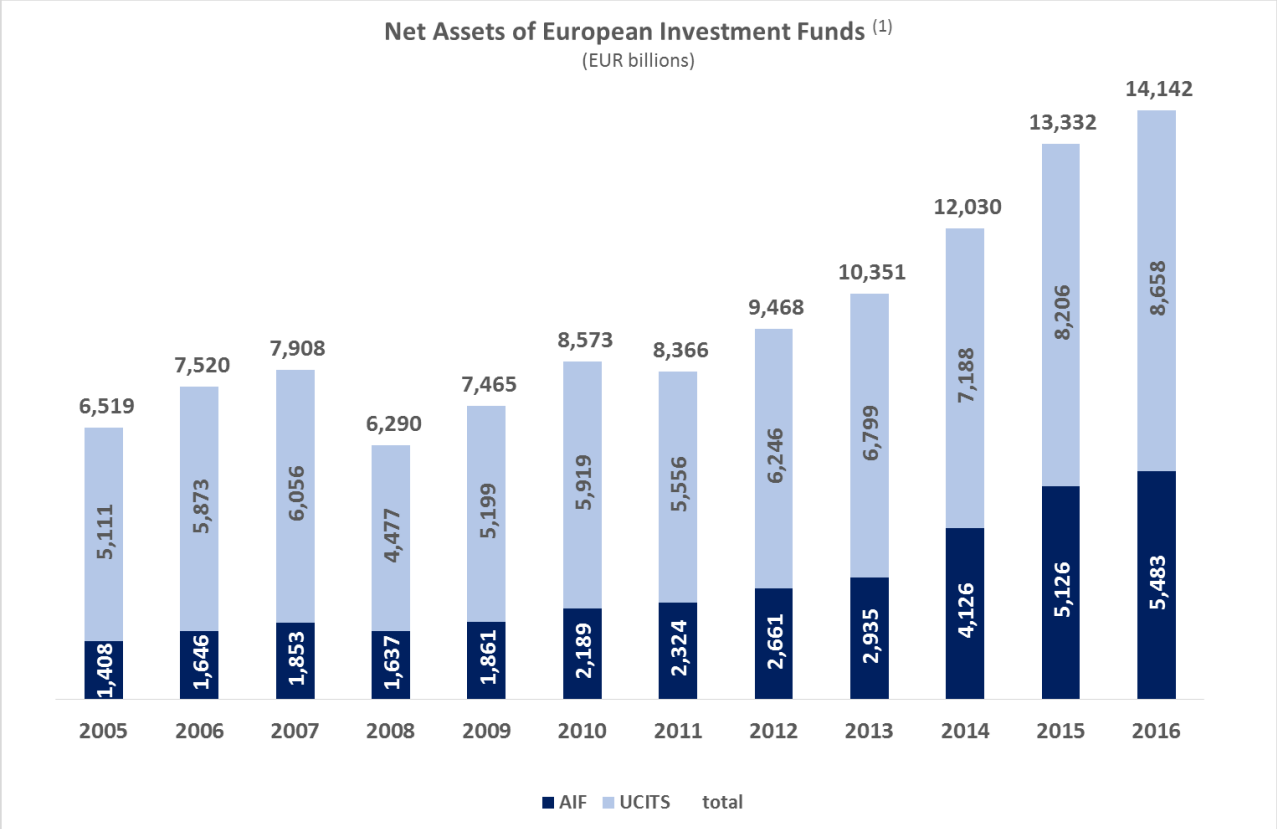
Further highlights on the developments in 2016 include:

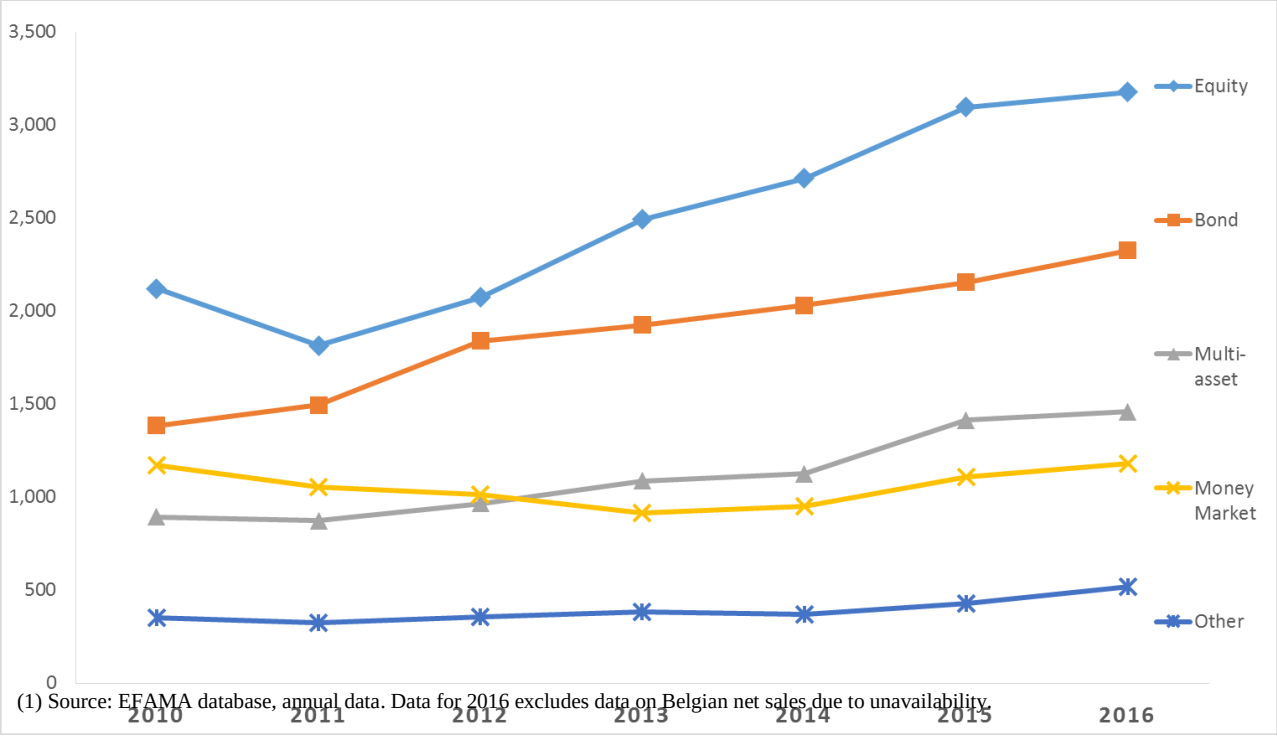
- Net sales of UCITS reached EUR 275 billion, compared to EUR 590 billion in 2015 and EUR 189 billion on average in 2007-2013.
  - Equity funds suffered a negative turnaround in net sales in 2016, as net sales never really recovered from the stock market sell-off in January.
  - After three years of constantly increasing net sales, multi-asset funds suffered a sharp fall in net sales in 2016, as investors tried to limit their – direct and indirect – exposure to stock markets.
  - After a difficult first quarter, bond funds enjoyed a strong rise in net inflows on the back of falling long-term interest rates.
  - The higher uncertainty and renewed downside risks continued to increase the demand for money market funds in 2016, in spite of very low returns.
  - Cross-border UCITS domiciled in Ireland and Luxembourg attracted 69% of total UCITS net sales.
- Net sales of AIF reached EUR 184 billion, compared to 148 billion in 2015.
  - AIF surpassed net sales of long-term UCITS (EUR 183 billion, compared to EUR 169 billion).
  - Multi-asset funds were the clear winners among the mainstream asset classes, followed by real estate funds, bond funds and equity funds.
  - The move into "other" AIFs continued in 2016, as investors diversified more widely and focused more on investment outcomes.
  - AIFs domiciled in Germany captured 53% of the total net sales of AIFs.

Net Sales by Fund Category and Year (1)

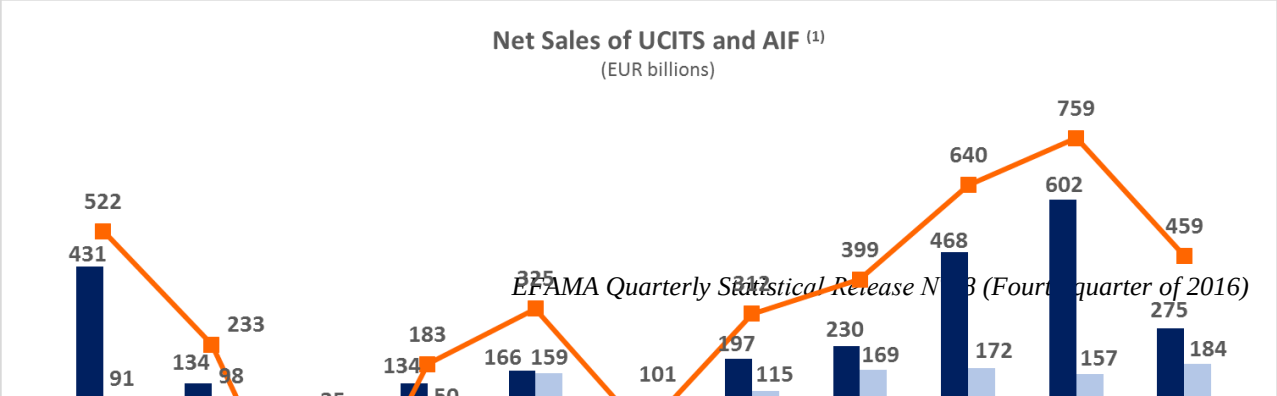
	Equity	Multi-asset	Bond	Money market	Other	Long-term	Total
UCITS							
2016	-8	49	112	106	15	169	275
2015	146	239	81	77	47	513	590
Average for 2006-2015 (2)	19	72	32	4	14	185	189
AIF							
2016	10	64	14	1	94	183	184
2015	-39	84	22	-7	87	155	148
UCITS & AIF							
2016	2	113	126	107	109	352	459
2015	107	323	103	70	134	668	738

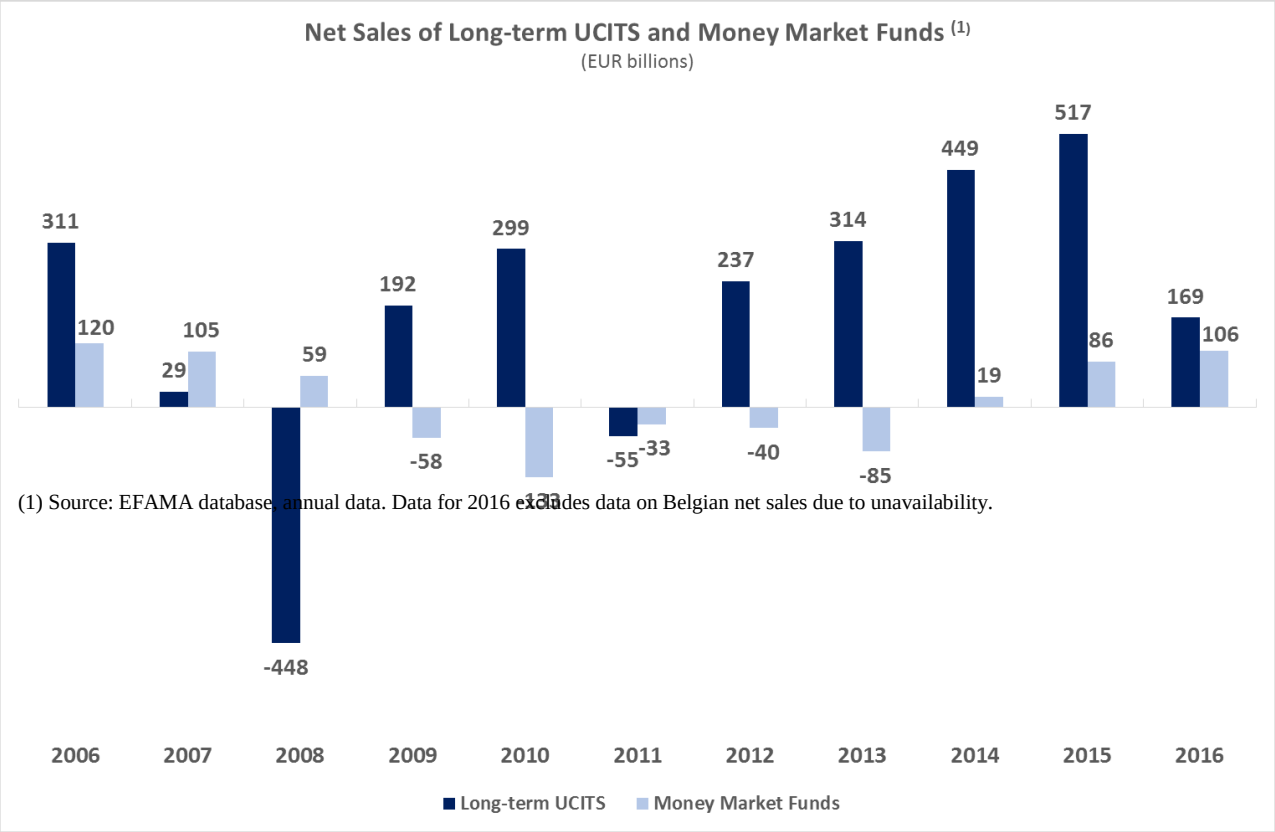
(1) Data presented in billions of euro and calculated on basis of quarterly data; (2) Average net sales excludes data for funds domiciled in the Netherlands due to unavailability of historical data. Net sales data for funds domiciled in Ireland are only included in money market, long-term and total UCITS categories.





(1) Source: EFAMA database, annual data. Data for 2016 excludes data on Belgian net sales due to unavailability.





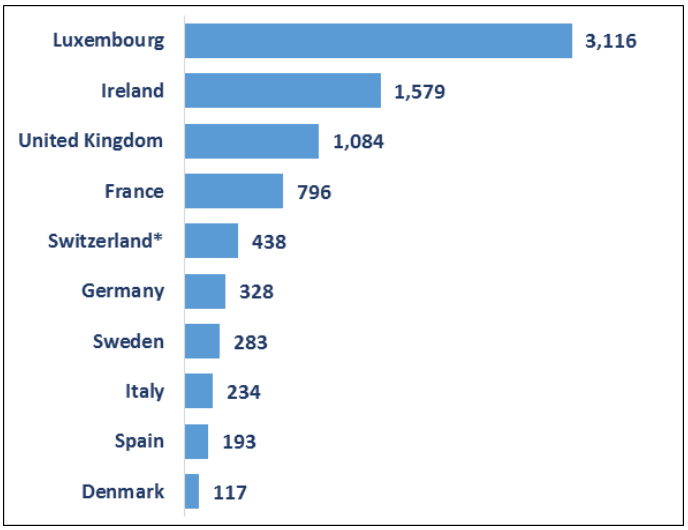
(1) Source: EFAMA database, annual data. Data for 2016 excludes data on Belgian net sales due to unavailability.

Top Ten Domiciles in 2016

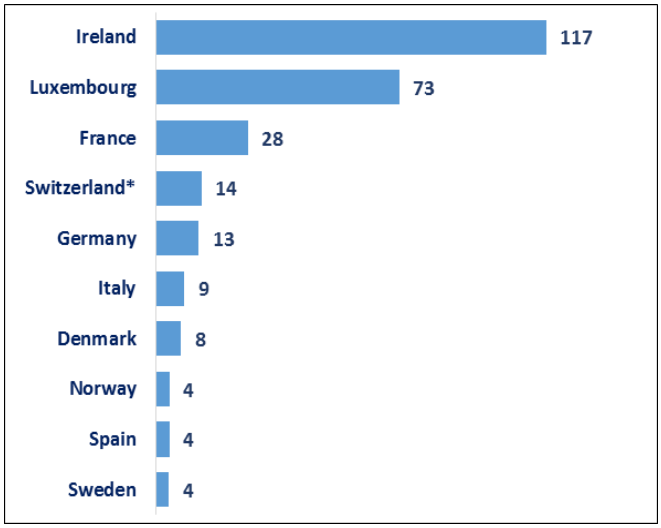
Largest Domiciles in terms of Net Assets and Net Sales

UCITS FUNDS

Net Assets at end 2016
(EUR billion)

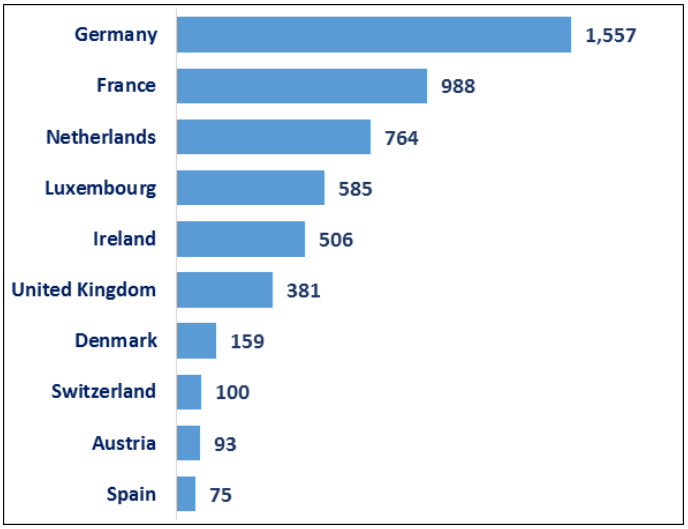


Net Sales in 2016
(EUR billion)

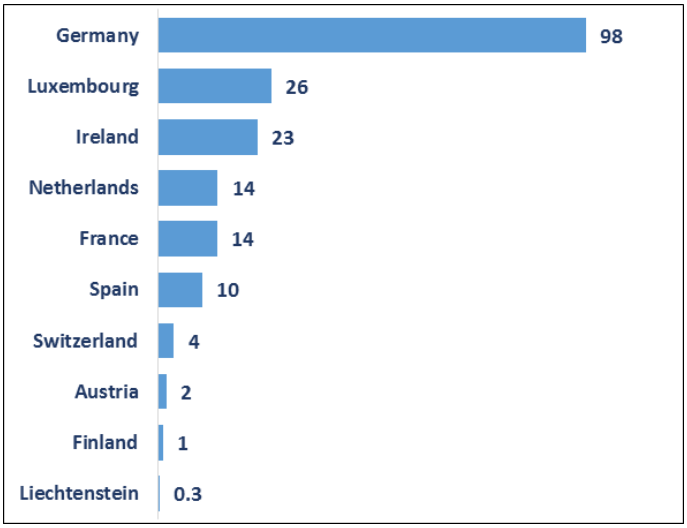


AIF FUNDS

Net Assets at end 2016
(EUR billion)



Net Sales in 2016
(EUR billion)

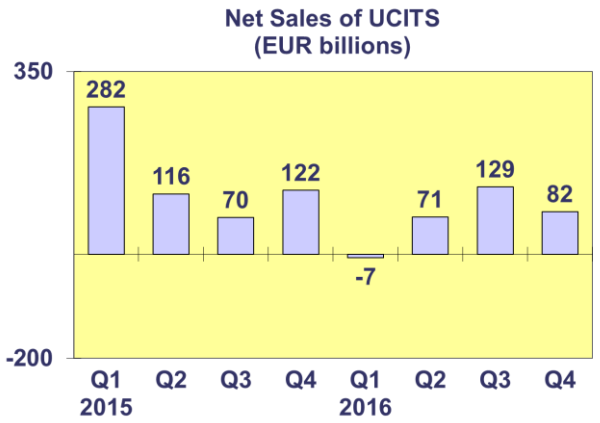


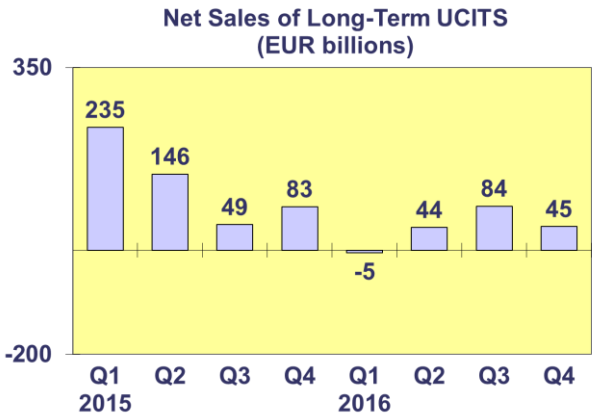
*Funds domiciled in Switzerland that fulfill the UCITS criteria are classified as UCITS in this report.

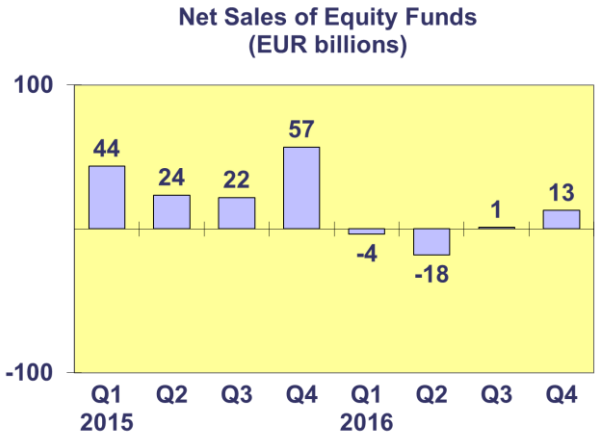
Trends in the UCITS Market
Net Sales by Investment Type

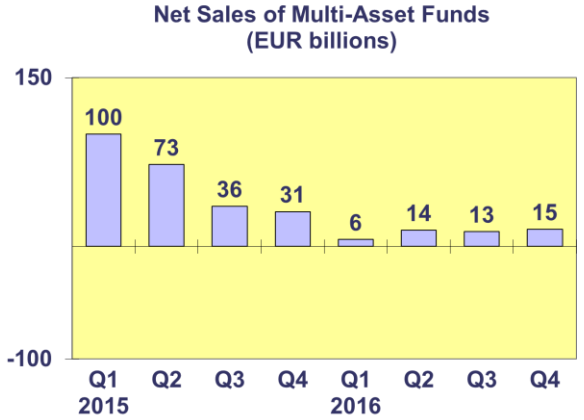
Net sales of UCITS totaled EUR 82 billion in Q4 2016, down from EUR 129 billion in Q3 2016. In 2016, UCITS garnered net sales of EUR 275 billion, compared to EUR 590 billion in 2015.

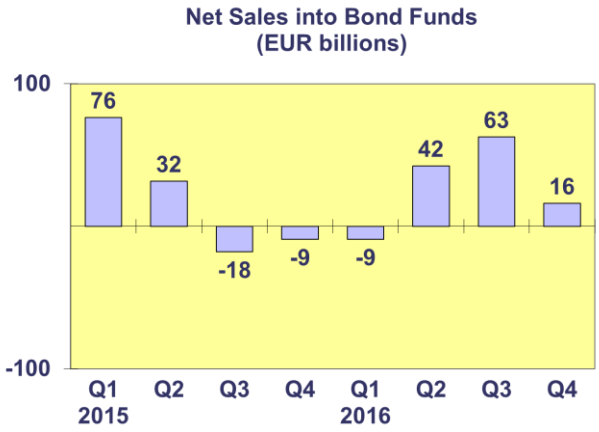
Long-term UCITS attracted net inflows of EUR 45 billion, down from EUR 84 billion in the third quarter. Equity finished the year with inflows of EUR 13 billion, compared to EUR 1 billion in the previous quarter. Multi-asset funds registered net sales of EUR 15 billion, slightly up from the EUR 13 billion registered in the third quarter. Inflows of bond funds decreased from EUR 63 billion to EUR 16 billion in Q4 2016. Money market funds posted net inflows of EUR 36 billion, down from EUR 45 billion in the previous quarter.

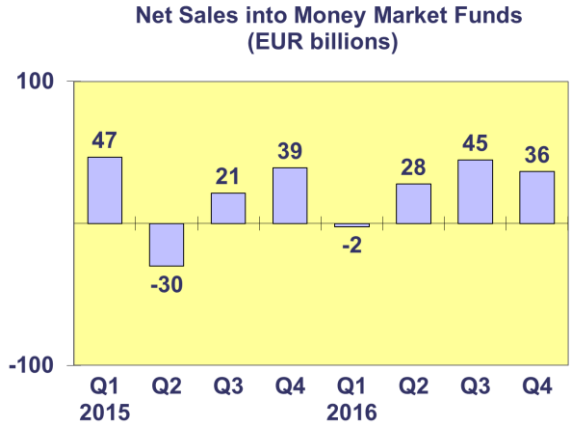






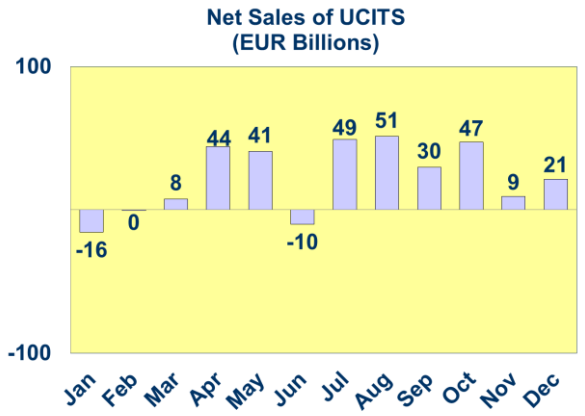


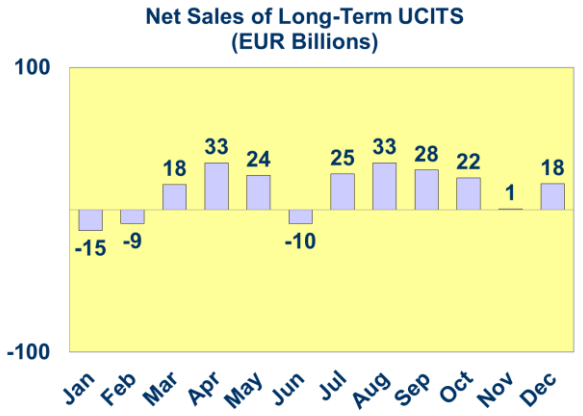


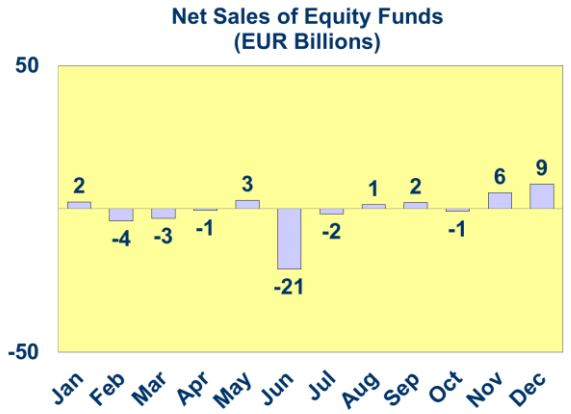


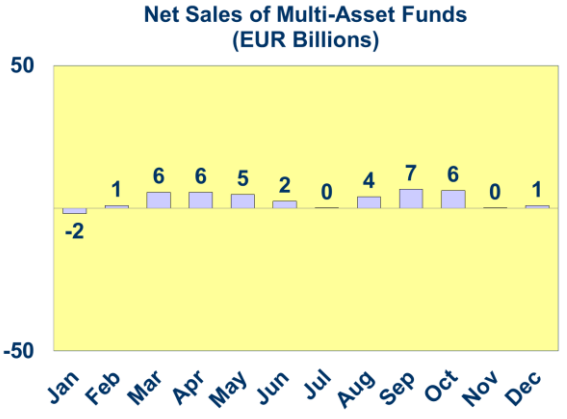
Net Assets by Investment Type

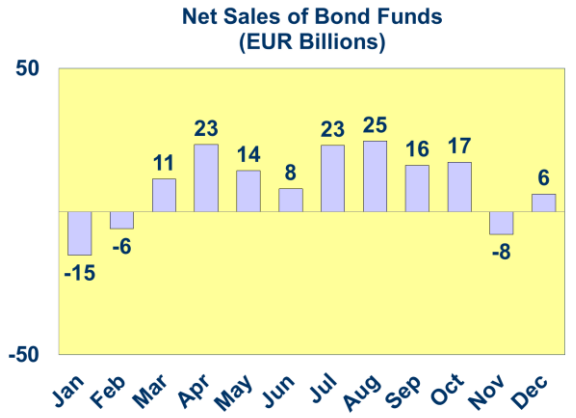
In the first two quarters of 2016, the UCITS market was marked by volatility while the last two quarters saw increasing demand. After months of net outflows and low demand, equity funds ended the year with two months of modest but positive net inflows. Net sales of bond funds saw strong demand in the middle of the year, with more volatility in the first and fourth quarters of the year. Multi-asset funds also experienced decreased demand in the first and final quarter of the year with relatively stable net sales in Q2 and Q3. Money market funds registered habitual end of quarter net outflows during the first two quarters of the year, whereas the last two quarters demonstrated strong demand.

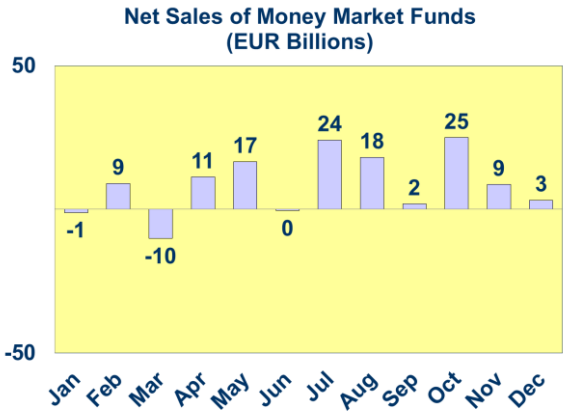












Trends in the UCITS Market
Net Sales by Country of Domiciliation and Investment Type

Twenty countries registered net inflows into UCITS in the fourth quarter of 2016, with ten countries recording net inflows above EUR 1 billion.

Among the largest domiciles, Ireland attracted net sales of EUR 47 billion in Q4 2016, driven by strong net inflows into equity, bond and money market funds. France experienced net inflows of EUR 8 billion, mainly thanks to bond and money market funds. The UK recorded net sales of EUR 6 billion, also due to strong inflows into bond, money market and other funds. Germany attracted 4.5 billion in net sales, mostly thanks to strong demand for equity funds. Strong net inflows into UCITS funds were also seen in Italy (EUR 4.1 billion), Sweden (EUR 3.7 billion), Spain (EUR 2.7 billion) and Denmark (EUR 2.6 billion).

Five countries ended the year with cumulative net sales greater than EUR 10 billion: Ireland (EUR 117 billion), Luxembourg (EUR 73 billion), France (EUR 28 billion), Switzerland (EUR 14 billion) and Germany (EUR 13 billion).

Table 1. Net Sales of UCITS [1]

Members	Equity Funds		Bond Funds		Multi-Asset Funds		Money Market Funds		Other Funds		Total	
	Q4 2016	YTD	Q4 2016	YTD	Q4 2016	YTD	Q4 2016	YTD	Q4 2016	YTD	Q4 2016	YTD
Austria	132	311	-381	-2,228	-296	707	-14	-9	-94	-176	-653	-1,394
Bulgaria	17	26	0	0	20	65	8	12	0	-1	45	102
Croatia	2	-24	330	675	0	-14	242	577	-13	-38	560	1,176
Cyprus	18	39	2	2	-2	5	0	0	0	0	18	45
Czech Republic	39	126	91	243	193	502	2	0	32	131	357	1,002
Denmark	1,279	3,389	736	2,474	590	1,671	-1	1	44	42	2,648	7,575
Finland	840	713	551	1,520	138	349	37	105	-5	-35	1,561	2,652
France	1,400	-4,000	3,300	7,600	200	-4,000	3,400	29,900	0	-1,800	8,300	27,700
Germany	3,428	4,605	-462	3,164	1,889	5,490	-94	-285	-216	-3	4,544	12,971
Greece	-19	-90	-23	-25	-14	-79	-51	17	-2	-90	-109	-267
Hungary	3	7	6	42	0	-1	0	0	9	55	17	103
Ireland	10,526	22,600	11,643	47,253	2,039	10,914	22,578	34,945	22	1,148	46,808	116,860
Italy	-433	-1,485	580	733	9,075	21,886	-841	-1,916	-4,253	-10,560	4,127	8,659
Liechtenstein	261	-74	464	-44	-21	-152	-1	-428	-231	-151	473	-850
Luxembourg	-5,514	-15,749	-5,164	31,564	-475	13,435	9,488	37,847	689	5,851	-976	72,948
Malta	5	1	13	-172	-98	-23	-6	-54	5	-232	-80	-480
Netherlands	64	-1,011	-245	-2,712	27	354	0	0	-30	-71	-184	-3,440
Norway	763	1,452	-820	1,476	31	-101	-23	1,373	-63	-36	-111	4,163
Poland	-109	-543	18	-23	-90	-439	-61	-29	34	196	-209	-837
Portugal	26	-45	16	-41	-32	-257	-91	-496	145	412	63	-427
Romania	-1	-5	-42	-49	5	-2	1	-4	-3	130	-39	70
Slovakia	-2	7	63	46	77	135	-4	-24	0	0	134	164
Slovenia	12	-59	-11	40	-6	-10	18	43	0	0	13	14
Spain	1,239	226	268	4,928	369	-2,890	625	1,506	157	361	2,658	4,131
Sweden	2,354	3,246	783	780	991	1,900	-470	-1,881	1	12	3,659	4,058
Switzerland	346	3,952	1,978	9,884	337	740	-1,138	-663	0	0	1,522	13,913
Turkey	5	-19	305	537	-57	-61	-53	-142	68	350	267	666
United Kingdom	-3,791	-25,295	2,025	4,167	424	-1,071	2,882	6,103	4,732	19,907	6,273	3,811
Total	12,886	**-7,697**	16,025	**111,831**	15,313	**49,053**	36,434	**106,500**	1,029	**15,402**	81,686	**275,089**

(1) Data presented in millions of euro.

Trends in the UCITS Market
Net Sales and Net Assets of ETF by Country of Domiciliation

Net sales of UCITS ETFs reached EUR 14.7 billion in Q4 2016 and EUR 44.0 billion in 2016.[1]

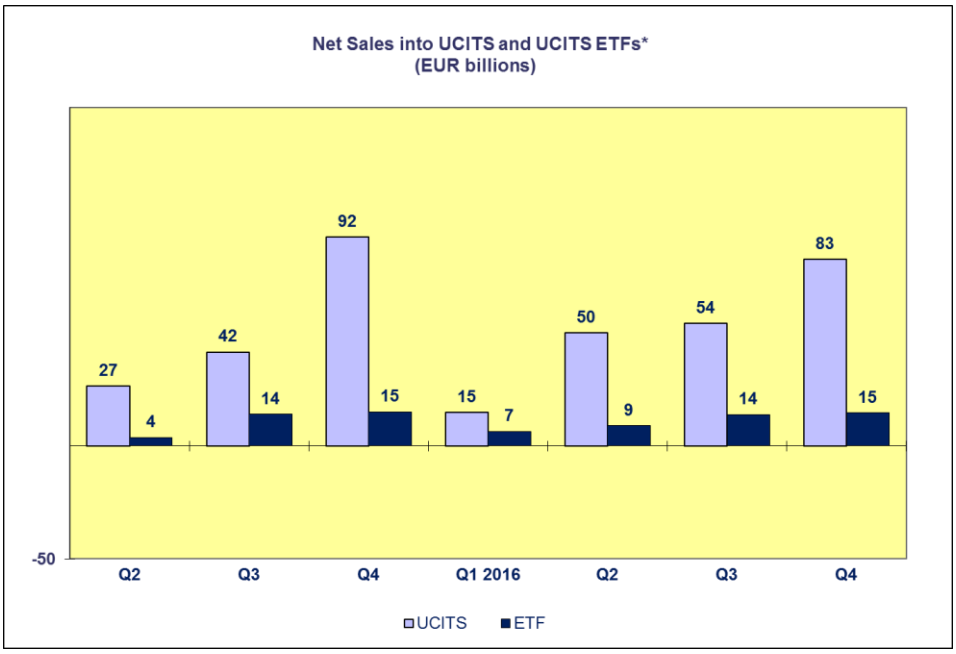
UCITS ETF domiciled in Ireland registered the largest inflows during the quarter (EUR 8.2 billion), reflecting the size of their ETF market, followed by France (EUR 3.8 billion) and Germany (EUR 2.7 billion). In 2016, Ireland attracted the largest net inflows (EUR 40.9 billion), followed by France (EUR 2.9 billion).

For the group of countries reporting net sales of ETF, the total net sales of ETF in 2016 represented 25% of their total net sales of UCITS. In Ireland, the share of ETF represented 35% of the total net sales of UCITS.

Table 2. Total Net Sales of UCITS ETFs (1)

	Net Assets	Net Sales				Net Assets
	end Q4 2016	Q4 2016		YTD		End Q4 2015
	ETF	UCITS	UCITS ETF (2)	UCITS	UCITS ETF (2)	ETF
Belgium	260	n.a.	n.a.	n.a.	n.a.	238
Bulgaria	13	45	12	102	12	
Finland	197	1,561	-8	2,652	-15	188
France	70,198	8,300	3,797	27,700	2,934	64,303
Germany	48,783	4,544	2,684	12,971	-11	48,086
Greece	29	-109	0	-267	2	28
Ireland	288,038	46,808	8,208	116,860	40,933	233,017
Luxembourg	82,162	-976	n.a.	72,948	n.a.	85,542
Netherlands	1,519	-184	-51	-3,440	-65	1,531
Romania	51	-39		70	0	0
Spain	313	2,658	-17	4,131	-124	450
Sweden	2,452	3,659	113	4,058	327	2,029
Switzerland	3,859	1,522	-51	13,913	44	3,888
Turkey	38	267	-3	666	-2	39
Total	**497,912**	**68,056**	**14,683**	**252,364**	**44,035**	**439,339**

(1) Data presented in millions of euro. All data from EFAMA member associations able to provide ETF data are reported; (2) Net sales of UCITS ETF are included in net sales figures of UCTS.



* Both UCITS and UCITS ETF data exclude net sales of funds domiciled in Luxembourg.

[1] The net sales data presented on this page does not include net sales of UCITS ETF domiciled in Luxembourg.

Trends in the UCITS Market
Net Assets by Investment Type

UCITS net assets increased by 3.2 percent in Q4 2016 to reach EUR 8,658 billion at end 2016.

All categories of UCITS funds experienced an increase in net assets in 2016. Equity and money market funds both recorded increases of 5.2 percent. Net assets of multi-asset funds increased by 2.5 percent, followed by other funds (2.3%), bond funds (0.5%) and guaranteed funds (0.4%). In terms of annual growth, the mainstream categories with the largest growth were bond funds (7.9%) and money market funds (6.3%). The largest decrease in net assets in 2016 was seen in guaranteed funds (11.4%).

The number of UCITS funds increased from 30,057 at end Q4 2015 to 30,674 at end Q4 2016.

Table 3. Breakdown of UCITS Assets by Category

UCITS types	End Q4 2016		Change from end Q3 2016		Change from end Q4 2015	
	EUR bn	Share	in % (1)	in EUR bn	in % (2)	in EUR bn
Equity	3,178	37%	5.2%	156	2.6%	82
Multi-Asset	1,459	17%	2.5%	36	3.1%	44
Bond	2,326	27%	0.5%	11	7.9%	170
Money Market	1,179	14%	5.2%	58	6.3%	70
Guaranteed / protected	13	0.2%	0.4%	0.0	-11.4%	-2
Other	503	6%	2.3%	11	21.4%	89
Total	8,658	100%	3.2%	273	5.5%	453
of which:						
Exchange-traded funds	498	6%	7.2%	33	13.3%	59
Funds of funds	331	4%	1.3%	4	4.4%	14

(1) End Q4 2016 compared to end Q3 2016 net assets; (2) End Q4 2016 net assets compared to end Q4 2015 net assets.

Table 4. Breakdown of UCITS Number of Funds by Category

UCITS types	End Q4 2016		Change from end Q3 2016		Change from end Q4 2015	
	No.	Share	in % (1)	No.	in % (2)	No.
Equity	9,854	37%	0.0%	-4	0.4%	36
Multi-Asset	7,190	27%	1.3%	92	3.9%	270
Bond	6,128	23%	0.1%	9	0.5%	31
Money Market	701	3%	-0.7%	-5	-2.9%	-21
Guaranteed / protected	340	1%	-4.2%	-15	-9.3%	-35
Other	2,410	9%	1.2%	28	6.6%	149
Total (ex. Ireland)	26,623	100%	0.4%	105	1.6%	430
of which:						
Exchange-traded funds	847	3%	-4.3%	-38	33.2%	211
Funds of funds	2,140	8%	1.7%	35	6.2%	125
Total (inc. Ireland)	30,674		0.5%	160	2.1%	617

(1) End Q4 2016 compared to end Q3 2016 net assets; (2) End Q4 2016 net assets compared to end Q4 2015 net assets.

Trends in the UCITS Market
Net Assets by Country of Domiciliation

The vast majority of domiciles recorded net asset growth in the fourth quarter as net assets of UCITS reached EUR 8,658 billion at end 2016.

Among the major domiciles, the largest increases in net assets in Q4 2016 were seen in Ireland (6.1%), followed by Germany (4.1%), France (2.7%), Luxembourg (2.1%) and the UK (3.3%). All Nordic countries experienced net asset growth, with the largest growth in Sweden (7.0%), followed by Denmark (4.5%), Finland (4.1%) and Norway (2.2). In Southern Europe, the largest net asset growth was seen in Cyprus (21%), Greece (3.2%) and Spain (2.9%) with Malta experiencing a decrease in net assets of 3.5 percent. Strong increases in net assets were also seen in Central and Eastern Europe, with the largest increase in Hungary (16.3%), followed by Bulgaria (11.2%) and the Czech Republic (4.1%), with the largest the largest net asset decreases in Romania (2.2%).

Net assets of UCITS reached EUR 8,658 billion by end Q4 2016, representing an increase of 3.2% in Q4 2016 and 5.5% in 20016.

Table 5. Net Assets of the European UCITS Industry

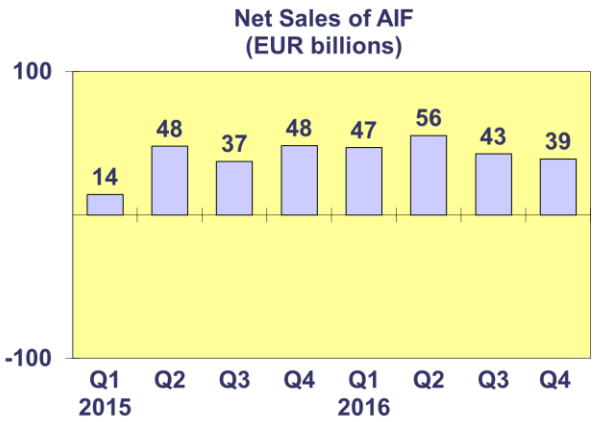
Members	End Q4 2016		End Q3 2016		End Q4 2015	
	EUR mn	Share	EUR mn	% chg (1)	EUR mn	% chg (2)
Austria	80,301	0.9%	80,461	-0.2%	79,206	1.4%
Belgium	78,823	0.9%	74,968	5.1%	77,559	1.6%
Bulgaria	523	0.0%	470	11.2%	407	28.5%
Croatia	2,439	0.0%	2,243	8.8%	1,814	34.5%
Cyprus	108	0.0%	89	21.0%	60	80.0%
Czech Republic	8,554	0.1%	8,218	4.1%	7,497	14.1%
Denmark	117,455	1.4%	112,350	4.5%	107,871	8.9%
Finland	86,180	1.0%	82,769	4.1%	78,619	9.6%
France	795,696	9.2%	774,880	2.7%	762,929	4.3%
Germany	328,484	3.8%	315,518	4.1%	309,852	6.0%
Greece	4,347	0.1%	4,214	3.2%	4,422	-1.7%
Hungary	667	0.0%	573	16.3%	471	41.4%
Ireland	1,578,920	18.2%	1,488,047	6.1%	1,446,873	9.1%
Italy	234,214	2.7%	230,996	1.4%	226,127	3.6%
Liechtenstein	26,445	0.3%	24,784	6.7%	25,752	2.7%
Luxembourg	3,116,104	36.0%	3,051,016	2.1%	2,946,860	5.7%
Malta	2,240	0.0%	2,250	-0.4%	2,737	-18.2%
Netherlands	38,294	0.4%	38,148	0.4%	34,186	12.0%
Norway	108,026	1.2%	105,678	2.2%	94,173	14.7%
Poland	21,073	0.2%	21,410	-1.6%	21,777	-3.2%
Portugal	7,207	0.1%	7,063	2.0%	7,577	-4.9%
Romania	4,819	0.1%	4,928	-2.2%	4,636	4.0%
Slovakia	4,349	0.1%	4,201	3.5%	3,974	9.4%
Slovenia	2,464	0.0%	2,367	4.1%	2,309	6.7%
Spain	193,454	2.2%	187,993	2.9%	185,420	4.3%
Sweden	283,468	3.3%	264,969	7.0%	262,445	8.0%
Switzerland	437,886	5.1%	433,088	1.1%	410,199	6.7%
Turkey	11,647	0.1%	12,279	-5.1%	11,837	-1.6%
United Kingdom	1,084,231	12.5%	1,049,932	3.3%	1,088,277	-0.4%
All Funds	8,658,419	100%	8,385,901	3.2%	8,205,868	5.5%

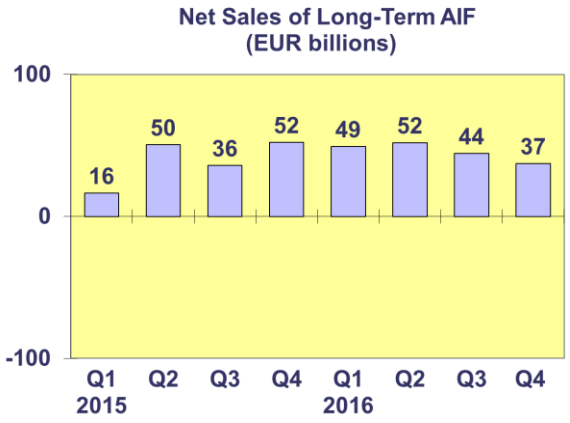
(1) End Q4 2016 compared to end Q3 2016 net assets; (2) End Q4 2016 net assets compared to end Q4 2015 net assets; (3) Growth partly due to reclassification of three AIF funds into UCITS funds in December 2016.

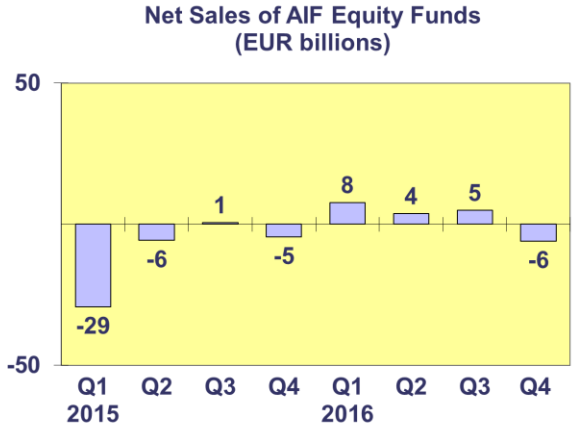
Trends in the AIF Market
Net Sales by Investment Type

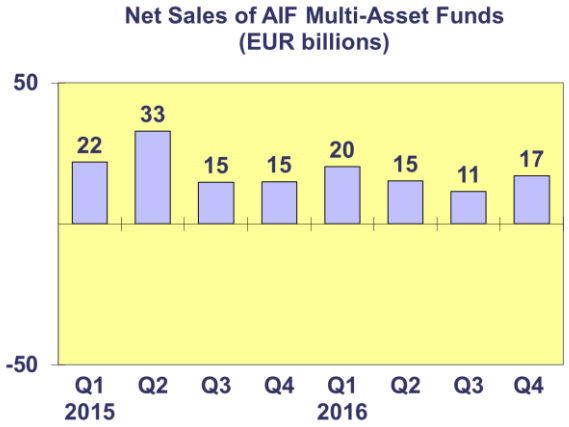
AIF recorded net inflows of EUR 39 billion during Q4 2016, down from EUR 43 billion in the previous quarter. In total, AIF garnered net sales of EUR 184 billion in 2016, compared to EUR 148 billion in 2015.

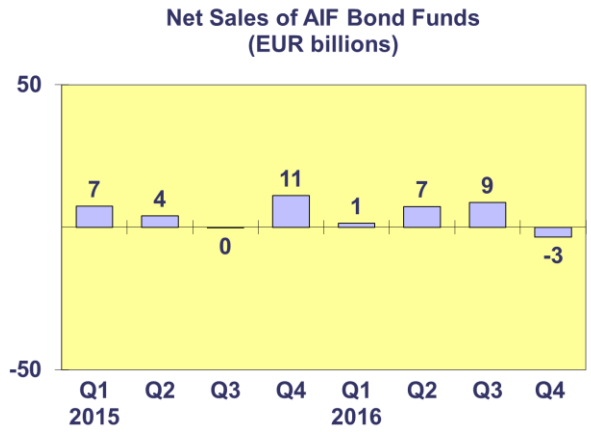
Long-term AIF recorded net sales of EUR 37 billion, down from net sales of EUR 44 billion in Q3 2016. Both equity and bond funds recorded net outflows for the first time this year, with net outflows of EUR 6 billion and EUR 3 billion respectively. Net sales of multi-asset funds registered EUR 17 billion, up from EUR 11 billion in Q3. Net sales of real estate funds registered net sales of EUR 5 billion, up from EUR 2 billion in Q3.











Trends in the AIF Market
Net Sales by Country of Domiciliation and Investment Type

Net sales of AIF totaled EUR 39 billion in Q4 2016, down from EUR 43 billion in Q3 2016. All categories of AIF, except equity and bond funds, registered positive net inflows during Q4 2016.

Fourteen countries experienced net inflows into AIF in Q4 2016. The top five largest domiciles registered net sales of AIF funds above EUR 1 billion, with the strongest net flows in Germany (EUR 30.2 billion), followed by Ireland (EUR 8.9 billion), Luxembourg (EUR 6.0 billion), France (EUR 3.9 billion) and the UK (EUR 2.5 billion). Elsewhere in Europe, net sales greater than EUR 1 billion were recorded in Spain (EUR 3.2 billion) with the largest outflows recorded in the Netherlands (EUR 10.7 billion).

Six countries ended the year with cumulative net sales greater than EUR 10 billion: Germany (EUR 98 billion), Luxembourg (EUR 26 billion), Ireland (EUR 23 billion), the Netherlands (EUR 14 billion), France (EUR 14 billion) and Spain (EUR 10 billion).

Table 6. Net Sales of AIF [1]

Members	Equity Funds		Bond Funds		Multi-Asset Funds		Money Market Funds		Real Estate Funds		Other Funds		Total	
	Q4 2016	YTD	Q4 2016	YTD	Q4 2016	YTD	Q4 2016	YTD	Q4 2016	YTD	Q4 2016	YTD	Q4 2016	YTD
Austria	186	148	80	102	283	796	0	0	264	1,084	-40	-276	772	1,855
Cyprus	1	24	0	0	0	80	0	0	-1	-7	8	33	8	129
Czech Republic	0	0	0	0	0	0	0	0	67	191	0	0	67	191
Denmark	-1,684	-1,844	-1,253	-6,485	-321	3,765	-54	-114	0	0	-192	519	-3,505	-4,159
Finland	-161	-559	5	297	222	575	-34	-22	1	5	176	698	209	994
France	-400	-2,200	-1,000	1,400	300	10,800	4,200	4,500	0	0	800	-1,000	3,900	13,500
Germany	1,965	8,574	57	13,688	17,270	44,771	0	-1,175	3,987	12,112	6,892	19,657	30,173	97,627
Hungary	12	-19	3	-43	34	23	-177	-1,159	139	534	42	85	53	-579
Ireland	0	0	0	0	0	0	-156	744	189	1,329	8,897	20,482	8,930	22,555
Italy	0	0	68	141	426	941	0	0	0	0	-534	-1,275	-41	-193
Liechtenstein	32	-7	-113	1	186	138	0	0	7	27	90	154	203	313
Luxembourg	-1,201	-4,608	5,422	9,998	-275	1,955	-1,828	-1,168	682	4,881	3,203	14,743	6,003	25,801
Malta	-38	245	-2	-14	-4	19	0	0	6	33	-92	-362	-129	-79
Netherlands	-5,010	9,264	-8,275	-11,112	5	-381	0	0	313	2,339	2,243	13,407	-10,724	13,517
Poland	-276	-426	191	619	-1,352	-1,267	6	266	11	20	-173	1,040	-1,592	253
Portugal	0	-2	-3	-271	-1	-14	-37	-198	0	0	139	-11	98	-496
Romania	0	1	0	0	0	1	0	0	0	0	-1	1	-1.1	3
Slovakia	1	3	0	3	18	33	-28	-207	21	100	0	0	13	-67
Spain	-60	335	1,781	6,100	-40	-113	0	8	0	0	1,470	3,739	3,151	10,069
Sweden	-269	-175	-67	-126	33	330	4	0	0	0	-153	-811	-452	-782
Switzerland	0	0	0	0	0	0	0	0	318	1,661	-738	1,875	-420	3,536
Turkey	0	0	0	0	0	0	0	0	0	25	0	21	0	47
United Kingdom	944	1,722	-335	-367	197	1,449	-10	-107	-1,112	-5,937	2,809	3,315	2,492	75
Total	-5,958	10,476	-3,440	13,932	16,981	63,900	1,886	1,368	4,893	18,398	24,846	76,034	39,207	184,107

(1) Data presented in millions of euro.

Trends in the AIF Market
Net Assets by Investment Type

Net assets of AIF increased by 1.7 percent during the fourth quarter to end the year at EUR 5,483 billion.

In Q4 2016, all but one category of AIF recorded net asset growth in Q4 2016. Guaranteed funds recorded the largest growth (4.6%), followed by real estate (4.5%), equity (4.0%), money market (3.3%) and multi-asset funds (1.4%). Net assets of bond funds decreased 2.6 percent in Q4 2016. Net assets of other AIF, which include AIF funds for which no breakdown according to the underlying fund categories is available, grew 2.7 percent.

There were 27,788 AIF funds at end Q4 2016, compared to 27,727 at end Q4 2015.

Table 7. Breakdown of AIF Assets by Category

Type of fund	End Q4 2016		Change since end Q3 2016		Change since end Q4 2015	
	EUR bn	Share	in % (1)	in EUR bn	in % (2)	in EUR bn
Equity	655	12%	4.0%	25	6.9%	42
Multi-Asset	1,391	25%	1.4%	19	6.9%	90
Bond	1,017	19%	-2.6%	-27	5.0%	49
Money Market	88	2%	3.3%	3	-1.2%	-1
Guaranteed / protected	49	1%	4.6%	2	-5.4%	-3
Real Estate	582	11%	4.5%	25	12.2%	63
Other	1,701	31%	2.7%	44	7.3%	116
Total	5,483	100%	1.7%	91	7.0%	357
of which:						
Exchange-traded funds	9	0.2%	-8.5%	-0.8	24.0%	2
Funds of funds	488	9%	10.7%	47	6.4%	29
Institutional	2,636	48%	1.1%	29	10.7%	254

(1) End Q4 2016 compared to end Q3 2016 net assets; (2) End Q4 2016 net assets compared to end Q4 2015 net assets.

Table 8. Breakdown of AIF Number of Funds by Category

Type of fund	End Q4 2016		Change since end Q3 2016		Change since end Q4 2015	
	No.	Share	in % (1)	in No.	in % (2)	in No.
Equity	2,433	10%	-1.0%	-24	-1.7%	-42
Multi-Asset	7,474	29%	-0.5%	-41	0.9%	63
Bond	2,907	11%	-1.0%	-29	-2.5%	-75
Money Market	237	1%	-4.0%	-10	-9.5%	-25
Guaranteed / protected	1,112	4%	-2.1%	-24	-20.3%	-283
Real Estate	2,462	10%	0.5%	13	7.1%	164
Other	8,744	34%	-0.2%	-15	2.1%	177
Total (ex. Ireland)	25,369	100%	-0.5%	-130	-0.1%	-21
of which:						
Exchange-traded funds	27	0.1%	0.0%	0	50.0%	9
Funds of funds	2,907	11%	-0.4%	-11	1.8%	52
Total (inc. Ireland)	27,788		-0.2%	-58	0.2%	61
of which:						
Institutional	11,578	42%	3.3%	367	2.8%	311

(1) End Q4 2016 compared to end Q3 2016 net assets; (2) End Q4 2016 net assets compared to end Q4 2015 net assets.

Trends in the AIF Market
Net Sales and Assets of Institutional AIF

Net assets of institutional AIF, which are AIF reserved for institutional investors, increased 1.1% during the fourth quarter to end the year at EUR 2,636 billion.

Net assets of institutional equity funds increased 3.1 percent to finish the quarter at EUR 211 billion. Institutional multi-asset fund net assets increased by 1.0% to reach EUR 982 billion. Net assets of institutional bond funds decreased 2.3% to EUR 569 billion, and real estate fund net assets increased 3.1% to EUR 160 billion. Other institutional funds experienced net asset growth of 4.9% to reach EUR 271 billion at end Q4 2016.

Institutional AIF recorded net sales of EUR 45 billion in Q4 2016, higher than previous three quarters in 2015. Total net sales of institutional AIF funds reached EUR 138 billion in 2016.

Table 9. Breakdown of Institutional AIF Assets by Category

Institutional AIF types	End Q4 2016		Change since end Q3 2016		Change since end Q4 2015	
	EUR bn	Share	in % (1)	in EUR bn	in % (2)	in EUR bn
Equity	211	10%	3.1%	6	6.3%	13
Multi-Asset	982	45%	1.0%	10	8.6%	78
Bond	569	26%	-2.3%	-13	8.2%	43
Money Market	9	0.4%	0.3%	0	-3.6%	-0.3
Real Estate	160	7%	3.1%	5	58.0%	59
Other	271	12%	4.9%	13	13.2%	32
Total (ex. Ireland)	2,203	100%	1.0%	21	11.3%	223
Total (inc. Ireland)	2,636		1.1%	29	10.7%	254

(1) End Q4 2016 compared to end Q3 2016 net assets; (2) End Q4 2016 net assets compared to end Q4 2015 net assets.

Table 10. Breakdown of Institutional AIF Net Sales Assets by Category

Institutional AIF types	Q4 2016 EUR m	Q3 2016 EUR m	Q2 2016 EUR m	Q1 2016 EUR m
Equity	-159	850	902	2,732
Multi-Asset	17,127	7,315	9,969	16,301
Bond	4,129	5,143	3,068	2,843
Money Market	-79	538	-942	5
Real Estate	5,270	1,328	2,844	3,879
Other	9,074	6,690	13,876	6,826
Total (ex. Ireland)	35,363	21,864	29,718	32,586
Total (inc. Ireland)	45,343	27,903	33,218	31,683

Trends in the AIF Market
Net Assets by Country of Domiciliation

Net assets of AIF increased 1.7 percent during the fourth quarter to EUR 5,483 billion at end 2016.

The five largest domiciles all recorded net asset growth in Q4 2016, with the largest growth in the UK (4.1%), followed by France (3.5%), Luxembourg (2.5%), Ireland (2.1%) and Germany (0.4%). Elsewhere in Europe, it is worth nothing net assets grew strongly in the Czech Republic (12.6%), Bulgaria (7.5%) and Belgium (5.1%). The largest decreases in net assets were seen in Turkey (9.5%), Poland (7.5%) and Sweden (5.3%).

Table 11. Net Assets of the European AIF Industry

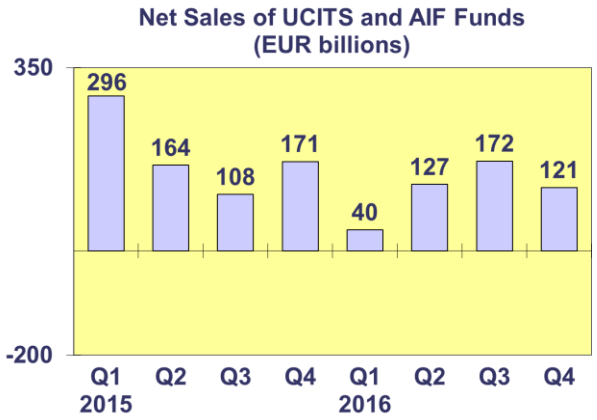
Members	End Q4 2016		End Q3 2016		End Q4 2015	
	EUR mn	Share	EUR mn	% chg [1]	EUR mn	% chg [2]
Austria	93,497	1.7%	92,809	0.7%	89,033	5.0%
Belgium	48,106	0.9%	45,753	5.1%	49,748	-3.3%
Bulgaria	8	0.0%	8	7.5%	3	218.1%
Croatia	385	0.0%	385	0.0%	475	-19.0%
Cyprus	2,069	0.0%	1,999	3.5%	2,310	-10.4%
Czech Republic	657	0.0%	584	12.6%	321	104.5% [3]
Denmark	158,514	2.9%	156,790	1.1%	150,669	5.2%
Finland	20,215	0.4%	19,742	2.4%	18,797	7.5%
France	988,134	18.0%	954,360	3.5%	919,879	7.4%
Germany	1,557,453	28.4%	1,551,564	0.4%	1,419,383	9.7%
Greece	2,743	0.1%	2,672	2.6%	2,656	3.3%
Hungary	18,065	0.3%	17,751	1.8%	17,634	2.4%
Ireland	505,828	9.2%	495,373	2.1%	451,952	11.9%
Italy[4]	63,490	1.2%	63,742	-0.4%	64,985	-2.3%
Liechtenstein	17,658	0.3%	17,078	3.4%	16,578	6.5%
Luxembourg	584,972	10.7%	570,913	2.5%	559,341	4.6%
Malta	7,569	0.1%	7,551	0.2%	7,412	2.1%
Netherlands	763,564	13.9%	753,946	1.3%	700,500	9.0%
Poland	37,635	0.7%	40,677	-7.5%	37,363	0.7%
Portugal	14,422	0.3%	14,352	0.5%	15,572	-7.4%
Romania	4,181	0.1%	4,239	-1.4%	4,358	-4.0%
Slovakia	1,538	0.0%	1,529	0.6%	1,723	-10.8%
Spain	75,059	1.4%	72,433	3.6%	68,948	8.9%
Sweden	20,407	0.4%	21,546	-5.3%	23,116	-11.7%
Switzerland	99,885	1.8%	100,285	-0.4%	91,328	9.4%
Turkey	15,620	0.3%	17,261	-9.5%	16,224	-3.7%
United Kingdom	381,420	7.0%	366,403	4.1%	396,214	-3.7%
All Funds	5,483,096	100.0%	5,391,745	1.7%	5,126,521	7.0%

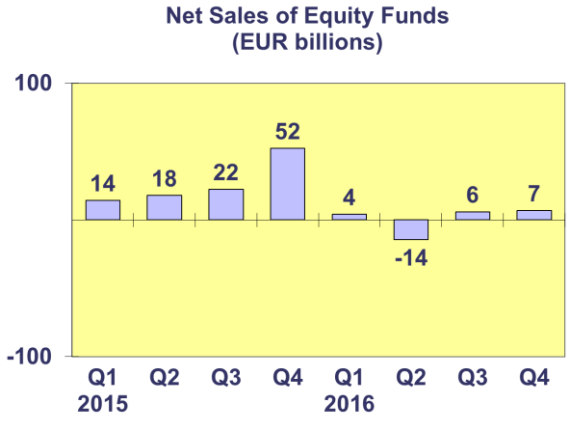
(1) End Q4 2016 compared to end Q3 2016 net assets; (2) End Q4 2016 net assets compared to end Q4 2015 net assets; (3) Large growth in assets is a result of new, large-scale advertising campaign by existing real estate funds; (4) Data for Q3 and Q4 2016 contain data on Italian-domiciled closed-ended funds from Q4 2015 (EUR 9.5 bn), as more recent data on Italian close-dended funds is currently unavailable.

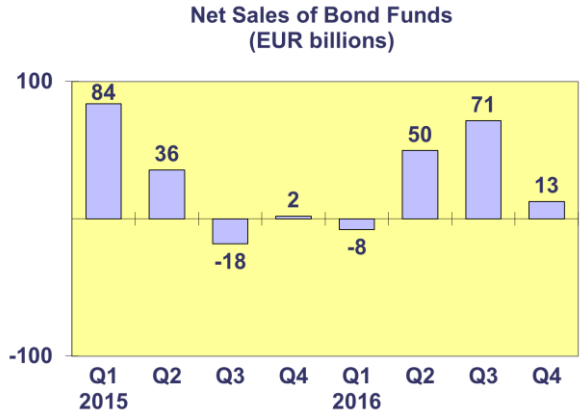
Trends in the European Investment Fund Industry
Net Sales by Investment Type

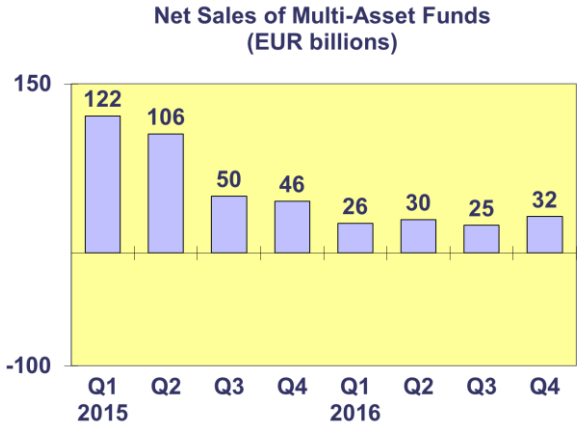
The combined net sales of the investment fund market in Europe recorded net inflows of EUR 121 billion during Q4 2016, compared to EUR 172 billion in Q3. Total European investment funds garnered net sales of EUR 459 billion in 2016, compared to EUR 738 billion in 2015.

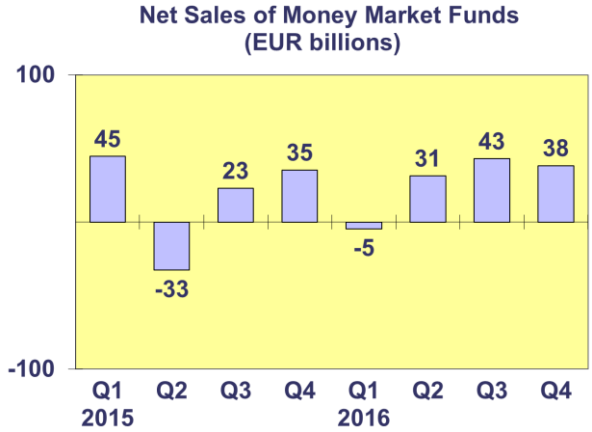
Net sales of equity funds registered EUR 7 billion, slightly up from EUR 6 billion in Q3 2016. Net sales of bond funds decreased from EUR 71 billion in Q3 2016 to EUR 13 billion. Net sales of multi-asset funds increased from EUR 25 billion to EUR 32 billion in Q4 2016. Net sales of money market funds decreased from EUR 43 billion in Q3 2016 to EUR 38 billion in Q4 2016. Net sales of other funds (including real estate, guaranteed/protected funds and other funds which do not fit any of the categories below or for which information is not available) totalled EUR 31 billion during the quarter, up from EUR 27 billion last quarter.

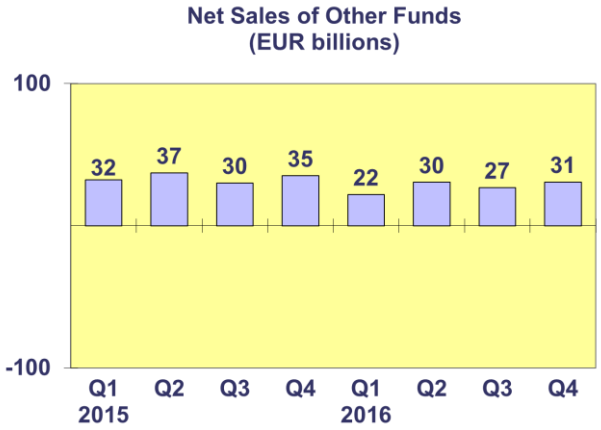












Trends in the European Investment Fund Industry
Net Assets by Country of Domiciliation

Net assets of the European investment fund industry increased by 2.6% during the fourth quarter to end the year at EUR 14,132 billion.

With EUR 8,658 billion invested in UCITS, this segment accounted for 61 percent of total European investment fund assets at end Q4 2016, with the remaining 39 percent (equivalent to EUR 5,483 billion) coming from AIF.

The domicile with the largest annual net asset growth in 2016 was Bulgaria whose net assets grew by 30 percent, followed by Croatia (23%), the Czech Republic (18%), Norway (15%), Ireland (10%), Finland (9%), the Netherlands (9%), Germany (9%), Switzerland (7%) and Denmark (7%).

Table 12. Net Assets of the European Investment Fund Industry

Members	End Q4 2016		End Q3 2016		End Q4 2015	
	EUR mn	Share	EUR mn	% chg (1)	EUR mn	% chg (2)
Austria	173,798	1.2%	173,271	0.3%	168,239	3.3%
Belgium	126,929	0.9%	120,721	5.1%	127,307	-0.3%
Bulgaria	531	0.0%	478	11.1%	409	29.7%
Croatia	2,824	0.0%	2,627	7.5%	2,289	23.4%
Cyprus	2,177	0.0%	2,088	4.3%	2,370	-8.1%
Czech Republic	9,211	0.1%	8,801	4.7%	7,818	17.8%
Denmark	275,968	2.0%	269,139	2.5%	258,540	6.7%
Finland	106,395	0.8%	102,512	3.8%	97,416	9.2%
France	1,783,830	12.6%	1,729,240	3.2%	1,682,808	6.0%
Germany	1,885,937	13.3%	1,867,082	1.0%	1,729,234	9.1%
Greece	7,090	0.1%	6,886	3.0%	7,078	0.2%
Hungary	18,732	0.1%	18,325	2.2%	18,105	3.5%
Ireland	2,084,748	14.7%	1,983,420	5.1%	1,898,825	9.8%
Italy	297,704	2.1%	294,738	1.0%	291,112	2.3%
Liechtenstein	44,103	0.3%	41,862	5.4%	42,331	4.2%
Luxembourg	3,701,076	26.2%	3,621,929	2.2%	3,506,201	5.6%
Malta	9,810	0.1%	9,801	0.1%	10,149	-3.3%
Netherlands	801,858	5.7%	792,094	1.2%	734,686	9.1%
Norway	108,026	0.8%	105,678	2.2%	94,173	14.7%
Poland	58,709	0.4%	62,086	-5.4%	59,140	-0.7%
Portugal	21,630	0.2%	21,414	1.0%	23,149	-6.6%
Romania	9,001	0.1%	9,168	-1.8%	8,994	0.1%
Slovakia	5,887	0.0%	5,730	2.7%	5,697	3.3%
Slovenia	2,464	0.0%	2,367	4.1%	2,309	6.7%
Spain	268,513	1.9%	260,426	3.1%	254,368	5.6%
Sweden	303,874	2.1%	286,515	6.1%	285,561	6.4%
Switzerland	537,771	3.8%	533,373	0.8%	501,528	7.2%
Turkey	27,267	0.2%	29,540	-7.7%	28,060	-2.8%
United Kingdom	1,465,651	10.4%	1,416,335	3.5%	1,484,491	-1.3%
All Funds	14,141,514	100.0%	13,777,646	2.6%	13,332,389	6.1%
UCITS	8,658,419	61.2%	8,385,901	3.2%	8,205,868	5.5%
AIFs	5,483,096	38.8%	5,391,745	1.7%	5,126,521	7.0%

(1) End Q4 2016 compared to end Q3 2016 net assets; (2) End Q4 2016 net assets compared to end Q4 2015 net assets.

Trends in the European Investment Fund Industry
Number of Funds by Country of Domiciliation

The total number of European investment funds increased 0.2% during Q4 2016 to end the year at 58,462 funds.

At the end of the fourth quarter of 2016, UCITS accounted for 30,674 funds or 52.5% of the European investment fund market, while AIF accounted for 27,788 funds, or 47.5% of the market.

Table 13. Number of funds in the European Investment Fund Industry

Members	End Q4 2016		End Q3 2016		End Q4 2015	
	UCITS	AIF	UCITS	AIF	UCITS	AIF
Austria	1,021	1,010	1,035	1,017	1,058	1,018
Belgium	619	595	619	595	585	767
Bulgaria	111	2	113	2	105	1
Croatia	89	29	87	29	85	31
Cyprus	21	148	20	148	21	93
Czech Republic	141	3	143	3	142	2
Denmark	595	354	583	358	571	334
Finland	350	109	348	110	347	110
France	3,164	7,788	3,182	7,793	3,370	7,752
Germany	1,754	4,257	1,730	4,263	1,739	4,192
Greece	158	7	160	6	163	5
Hungary	21	587	17	602	13	576
Ireland	4,051	2,419	3,996	2,347	3,864	2,337
Italy	930	379	898	379	805	367
Liechtenstein	853	499	807	513	752	520
Luxembourg	9,805	4,406	9,830	4,453	9,688	4,420
Malta	91	557	84	551	82	524
Netherlands	105	1,706	105	1,720	95	1,693
Norway	720	0	720	0	700	0
Poland	322	575	319	589	300	488
Portugal	127	281	129	283	136	301
Romania	75	24	76	26	74	28
Slovakia	70	17	70	19	67	21
Slovenia	105	0	116	0	112	0
Spain	1,656	747	1,641	746	1,505	787
Sweden	498	94	477	95	458	102
Switzerland	866	166	871	168	871	179
Turkey	396	51	399	51	387	46
United Kingdom	1,960	978	1,939	980	1,962	1,033
Total	30,674	27,788	30,514	27,846	30,057	27,727

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