

For immediate release

UCITS and AIFs continued to record positive sales in 2018, despite global growing social and political instability

Brussels, 27th February 2019 - The European Fund and Asset Management Association (EFAMA) has today published its latest Investment Fund Industry Fact Sheet, which provides net sales of UCITS and AIFs for December 2018.

29 associations representing 98 percent of total UCITS and AIF assets provided us with net sales data.

The main developments in **December 2018** can be summarized as follows:

- **UCITS and AIFs continued to register net outflows of EUR 11 billion**, compared to EUR 38 billion in November
- **UCITS recorded net outflows of EUR 23 billion**, compared to net outflows of EUR 40 billion in November
 - Long-term UCITS (UCITS excluding money market funds) recorded the same level of net sales as in November (EUR 27 billion).
 - ✓ Equity funds registered net outflows of EUR 9 billion, compared to net inflows of EUR 3 billion in November.
 - ✓ Net outflows from bond funds slowed down to EUR 5 billion, from EUR 17 billion in November.
 - ✓ Multi-asset funds recorded the same level of net sales as in November (EUR 8 billion).
 - UCITS money market funds recorded net inflows of EUR 4 billion, compared to net outflows of EUR 13 billion in November.
- AIFs recorded net inflows of EUR 12 billion, up from EUR 2 billion in November.
- Total net assets of UCITS and AIFs decreased by 2.9 % to EUR 15,204 billion.

Thomas Tilley, Senior Economist commented: *“The political uncertainties and stock market volatility that characterized 2018, culminated in December and caused further net outflows from UCITS.”*

The **main developments in 2018** can be summarized as follows:

- **Net sales of UCITS and AIF amounted to EUR 221 billion in 2018 (EUR 940 billion in 2017)**
- **UCITS net sales reached EUR 115 billion (EUR 738 billion in 2017)**
 - Long-term UCITS net sales totaled EUR 125 billion (EUR 669 billion in 2017).
 - ✓ Equity funds recorded net inflows of EUR 108 billion, down from EUR 158 billion in 2017.

- ✓ Bond funds registered net outflows of EUR 32 billion (compared to net inflows of EUR 314 billion in 2017).
 - ✓ Net sales of multi-assets funds totaled EUR 71 billion (EUR 181 billion in 2017).
 - ✓ Other UCITS registered net outflows of EUR 22 billion (compared to net inflows of EUR 16 billion in 2017).
- Money market funds registered net outflows of EUR 10 billion (compared to net inflows of EUR 69 billion in 2017).
- **AIF recorded net sales of EUR 105 billion (EUR 202 billion in 2017).**
 - **Net assets of UCITS and AIF decreased by 2.7% to EUR 15,204 billion (EUR 15,625 billion at end 2017).**

The following comments shed light on the main developments in 2018.

- **2018 was a challenging year for the investment fund industry.** The US global trade war, Brexit, political uncertainties in Europe, monetary policy tightening and concerns about economic growth led to stock market volatility and investor nervousness. This resulted in a sharp decline in net sales of UCITS and AIFs and a small decline in net assets of UCITS and AIFs.
- **Equity funds and multi-assets** continued to record positive net inflows thanks to a very good start of the year. They suffered from the sharp stock market corrections in the fourth quarter, but the overall net outflows during this period remained very modest; by way of illustration, the net outflows from equity funds in December represented just 0.2% of net assets.
- **Bond funds** have been strongly affected by concerns about the rise in interest rates in the US and the exit strategies from quantitative easing in Europe. Investors responded to the end of the accommodative stance of monetary policy and the uncertainties surrounding this development by reducing their exposure to fixed-income securities.
- **Money market funds** suffered from net outflows in 2018, for the first time since 2013.
- **AIFs** also suffered from a decline in net inflows compared to 2017, albeit less marked than for UCITS. This confirms that alternative investment funds benefit from sustained demand from institutional investors, in particular insurance companies and pension funds, which invest for the long term and are less sensitive to short-term market uncertainty and volatility.

Bernard Delbecque, Senior Director for Economics and Research commented: *"2018 can only be judged in the light of the net sales of UCITS reached in 2017, which were truly exceptional and followed several good years of net sales. Investors have grown more cautious in 2018, and this caution has been reinforced by the sentiment that stock markets might have reached exceedingly high levels and that monetary policy had reached a pivotal point. Undeniably, Trump's threats on trade tariffs and the growing social and political instability in Europe have also raised investor concerns. The good news, however, is that UCITS and AIF continued to record positive net sales in 2018. This confirms that investment funds remain attractive investment products even during turbulent times because they possess proven qualities in terms of transparency, risk diversification, investor protection and net returns. "*

– Ends –

* Please see the accompanying attachment for the EFAMA Investment Fund Industry Fact Sheet (December) and the 'Notes to editors' section for further information on how the Fact Sheet is produced.

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Notes to editors:

About the December Monthly EFAMA Investment Fund Industry Fact Sheet:

The Fact Sheet is published by EFAMA on a monthly basis and presents net sales and net assets data for UCITS and AIF provided by 29 national associations. The contributing national associations are: Austria, Belgium, Bulgaria, Cyprus, Czech Republic, Denmark, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Liechtenstein, Luxembourg, Malta, Netherlands, Norway, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden, Switzerland, Turkey, and United Kingdom.

About the European Fund and Asset Management Association (EFAMA):

EFAMA is the representative association for the European investment management industry, which represents 28-member associations and 62 corporate members. At end 2017, total net assets of European investment funds reached EUR 15.6 trillion. Close to 32,000 of these funds were UCITS (Undertakings for Collective Investments in Transferable Securities) and close to 28,300 of these funds were AIFs (Alternative Investment Funds). Including discretionary mandates, third-party regulated asset managers managed EUR 25 trillion in Europe at end 2017. For more information about EFAMA, please visit www.efama.org.