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## EFAMA Market Insights: UCITS remained resilient in March

**Brussels, 27<sup>th</sup> May 2020** – EFAMA, the European Fund and Asset Management Association, today published its first Market Insights report along with its Investment Fund Industry Fact Sheet for March 2020.

The Covid-19 pandemic significantly impacted financial markets. Stock markets across the world suffered a steep decline driven by lower economic growth and corporate profits. As anticipated, the crisis caused substantial net outflows from UCITS in March (EUR 313 billion). However, as a percentage of net assets, these outflows were no higher than in October 2008, at the height of the global financial crisis (2.9%).

Despite the sharpest market downturn in modern history, EFAMA notes that the vast majority of UCITS were able to function normally with only a few having to suspend trading for a limited period of time. This can be explained by a number of factors, in particular the existence of a strong UCITS liquidity risk management framework.

With an unpredictable next quarter – and year – EFAMA welcomes the acceleration in the adoption of certain liquidity management tools in a number of Member States, as these tools increase the ability of European fund managers to effectively manage redemptions and liquidity risk in the future.

**Tanguy Van de Werve, EFAMA Director General commented:** *"Despite sizeable outflows in March, by and large, investors were able to redeem their money on a daily basis. This demonstrates the effectiveness of the current regulatory framework for EU domiciled funds, especially as it relates to liquidity risk management."*

In its [Market Insights](#) report, EFAMA analyses the following developments:

- **Bond funds** recorded the largest net outflows (EUR 150 billion), as the bond market's stress coincided with increased perceptions of risk and higher demand for cash
- **Equity funds and multi-asset funds** suffered moderate net outflows (EUR 60 billion and EUR 44 billion, respectively), suggesting that many investors avoided taking money out of these funds at low valuations.

**Money market funds** (MMFs) recorded relatively strong net outflows (EUR 43 billion), as large institutional investors built liquidity buffers and large corporate investors faced quarter-end disbursements.

Underpinning the Market Insights report, the monthly [Investment Fund Industry Fact Sheet for March 2020](#) shows the evolution of net sales of UCITS and AIFs since March 2019. It also revealed that AIFs continued to record net inflows in March.



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**Notes to editors:**

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

EFAMA, the voice of the European investment management industry, represents 28 member associations and 59 corporate members. At end 2019, total net assets of European investment funds reached EUR 17.8 trillion. These assets were managed by close to 34,200 UCITS (Undertakings for Collective Investments in Transferable Securities) and 29,000 AIFs (Alternative Investment Funds). More information available at [www.efama.org](http://www.efama.org).