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For immediate release

**EFAMA 2016 year review: European investment fund assets reach unprecedented high, with net assets climbing above EUR 14 trillion**

The European Fund and Asset Management Association (EFAMA) has today published its latest Investment Funds Industry Fact Sheet, which provides net sales of UCITS and non-UCITS for December 2016 and the entire year of 2016, as well as net assets data at end 2016.

29 associations representing more than 99 percent of total UCITS and AIF assets at end December 2016 provided us with net sales and/or net assets data.

The **main developments in December 2016** in the reporting countries can be summarized as follows:

- **UCITS registered net sales of EUR 21 billion in December, compared to EUR 9 billion in November.**
- **Long-term UCITS (UCITS excluding money market funds) registered net sales of EUR 18 billion, up from EUR 1 billion in November.** Net sales of equity funds increased to EUR 9 billion, up from EUR 6 billion in November. Net sales of bond funds rebounded from net outflows of EUR 8 billion in November to net inflows of EUR 6 billion in December. Multi-asset funds finished the month with net sales of EUR 1 billion, up from EUR 0.1 billion in November.
- **Money market funds registered net sales of EUR 3 billion, compared to net sales of EUR 9 billion registered in November.**
- **Total net sales of AIF totaled EUR 11 billion, compared to EUR 13 billion in November.**
- **Total net assets of UCITS increased 2.0 percent to EUR 8,725 billion in December, whereas AIF net assets increased 1.5 percent to EUR 5,477 billion.** Total assets of UCITS and AIF ended December at EUR 14,201 billion, 1.8 percent higher than at end November.

**Bernard Delbecq, Director of Economics and Research commented:**

*“UCITS enjoyed a rise in net sales in December, thanks to higher net inflows into equity funds and a return to positive net sales of bond funds”.*

The main developments in 2016 can be summarized as follows:

- **Net sales of UCITS and AIF reached EUR 455 billion (EUR 740 billion in 2015).**
- **UCITS net sales amounted to EUR 275 billion (EUR 590 billion in 2015).**
- **Long-term UCITS net sales totaled EUR 169 billion (EUR 513 billion in 2015).**
  - Equity funds registered net outflows of EUR 8 billion (compared to net inflows of EUR 149 billion in 2015).
  - Multi-assets funds registered net sales of EUR 36 billion (EUR 240 billion in 2015).
  - Bond funds registered net sales of EUR 116 billion (EUR 81 billion in 2015).
  - Other UCITS registered net sales of EUR 26 billion (EUR 44 billion in 2015).
- **Money market funds registered net sales of EUR 106 billion (EUR 77 billion in 2015).**
- **AIF recorded net sales of EUR 180 billion (EUR 150 billion in 2015).**
  - Equity funds registered net sales of EUR 5 billion (compared to net outflows EUR 41 billion in 2015).
  - Multi-assets funds registered net sales of EUR 62 billion (EUR 84 billion in 2015).
  - Bond funds registered net sales of EUR 16 billion (EUR 21 billion in 2015).
  - Money market funds registered net sales of EUR 1 billion (compared to outflows of EUR 7 billion in 2015).
  - Other AIF registered net sales of EUR 95 billion (compared to EUR 93 billion in 2015)
- **Net assets of UCITS and AIF increased to EUR 14,201 billion (EUR 13,332 billion at end 2015).**

The following comments shed additional light on the main developments in 2016.

#### **Fund assets continued to grow in 2016.**

- For the first time ever, net assets of UCITS and AIF funds climbed above the EUR 14 trillion mark.
- Net sales contributed to 52% of the rise in total assets, with market appreciation accounting for the remainder of the increase.

#### **Despite multiple adverse shocks, the net sales of UCITS remained largely positive, albeit at a lower level than in 2014 and 2015.**

- Whilst the launch of the ECB's quantitative easing program boosted the demand for UCITS in January-April 2015, UCITS did not benefit from any positive developments in 2016. On the contrary, the stock market plunge in early 2016, weak economic growth and the UK's vote to leave the European Union created much uncertainty about the future, which slowed demand for UCITS. However, the other side of the argument is that many investors continued to purchase UCITS in 2016 despite persisting market stresses, confirming the high level of confidence investors have in UCITS funds.

**Equity and multi-assets were the clear losers in terms of net sales in the UCITS market, whereas bond funds and money market funds emerged as the winners.**

- 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-assets funds were the biggest losers 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.

**AIF enjoyed strong net sales in 2016**

- Net sales of AIFs increased by 19.4% in 2016.
- AIF surpassed UCITS in terms of net sales of long-term funds (EUR 178 billion, compared to EUR 169 billion), with a different ranking of best sellers funds.
- 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.

**Bernard Delbecque, Director of Economics and Research explained:**

*“The European investment fund industry ended 2016 with a new record high of assets under management, and good results in terms of net sales, considering the high degree of volatility in the financial markets and the rising political uncertainties. UCITS and AIF remain very attractive investment products in the eyes of investors, thanks to the protection offered by the regulation and the expected returns compared to alternative savings products”.*

A detailed analysis of the developments in 2016, including detailed figures regarding the evolution at national level, will be published in the forthcoming EFAMA Quarterly Statistical Release.

– 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 European Fund and Asset Management Association (EFAMA):**

EFAMA is the representative association for the European investment management industry. EFAMA represents through its 28 member associations and 61 corporate members EUR 21 trillion in assets under management of which EUR 12.6 trillion managed by 56,000 investment funds at end 2015. Just over 30,000 of these funds were UCITS (Undertakings for Collective Investments in Transferable Securities) funds, with the remaining 25,900 funds composed of AIFs (Alternative Investment Funds). For more information about EFAMA, please visit [www.efama.org](http://www.efama.org)

**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 28 national associations. The contributing national associations are: Austria, Belgium, Bulgaria, Croatia, 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.