

## **Improved investor sentiment reduces outflows from UCITS funds in December**

- *Bond funds enjoyed net inflows of EUR 4 billion, the first such inflow since July 2011.*
- *Total assets of UCITS increased by 2.2 percent and non-UCITS by 2.7 percent during December.*
- *Overall, 2011 figures show a game of two halves for investment funds.*

The European Fund and Asset Management Association (EFAMA) has today published its latest Investment Fund Industry Fact Sheet\*, which provides investment sales and asset data for December 2011.

24 associations representing more than 97 percent of total UCITS and non-UCITS assets at end December 2011 provided us with net sales and/or net assets data.

Improving investor sentiment against the backdrop of all the measures taken to support euro area banks and strengthen fiscal discipline contributed to stemming net withdrawals from long-term UCITS in December.

### **The main developments in December 2011 in the reporting countries can be summarised as follows:**

- Net outflows from UCITS slowed down in December to EUR 6 billion, from EUR 9 billion recorded in November. This improvement was attributable to significantly reduced net outflows from long-term UCITS (UCITS excluding money market funds), from EUR 29 billion in November to EUR 7 billion in December.
  - Bond funds enjoyed net inflows of EUR 4 billion, the first such inflow since July 2011.
  - Equity funds recorded a sharp reduction in net outflows during the month (EUR 6 billion, compared to EUR 16 billion in November).
  - Net sales of balanced funds weakened in December to record net outflows of EUR 3 billion, down from breakeven point in November.
- Money market funds registered net inflows in December of EUR 1 billion, down from EUR 20 billion in November.
- Total non-UCITS recorded net sales of EUR 15 billion in December, up from EUR 11 billion in November. Special funds reserved to institutional investors experienced an increase in net inflows to EUR 13 billion in December, up from EUR 10 billion witnessed in November.
- Total assets of UCITS increased by 2.2 percent in December to stand at EUR 5,542 billion. Non-UCITS increased by 2.7 percent during December to record assets of EUR 2,201 billion.

### **The main developments in 2011 can be summarised as follows:**

- UCITS recorded net outflows of EUR 90 billion, compared to net inflows of EUR 172 billion in 2010.

- Long-term UCITS recorded net outflows of EUR 57 billion compared to net inflows of EUR 297 billion in 2010.
- Money market funds suffered from net outflows of EUR 33 billion (EUR 125 billion in 2010).
- Non-UCITS recorded net inflows of EUR 104 billion (EUR 164 billion in 2010).
- Special funds enjoyed net inflows of EUR 93 billion (EUR 144 billion in 2010).
- Overall, UCITS and non-UCITS witnessed net inflows of EUR 13 billion (EUR 335 billion in 2010).

**Bernard Delbecque, Director of Economics and Research at EFAMA, said:**

*“2011 was a year of two halves for investment funds. Despite negative surprises, in particular the earthquake in Japan and the tensions in oil prices, UCITS continued to attract net new money during the first half of the year. The second half was dominated by the intensification of the euro area sovereign debt crisis and the worsening of the global economic outlook, which triggered a strong resurgence in risk aversion and a sharp fall in the demand for long-term UCITS. On the other hand, special funds managed to attract net new money throughout the whole year, as insurance companies, pension funds and other institutional investors continued to use these vehicles to invest the recurrent contributions collected from their members.”*

– 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. It represents through its 26 member associations and 56 corporate members approximately EUR 13.8 trillion in assets under management, of which EUR 8.1 trillion was managed by approximately 54,000 funds at end June 2011. Just under 36,000 of these funds were UCITS (Undertakings for Collective Investments in Transferable Securities) 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 represents net fund product sales and/or net assets data for UCITS and non-UCITS assets provided by 24 national associations. The contributing national associations are: Austria, Bulgaria, the Czech Republic, Denmark, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Luxembourg, Malta, Norway, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden, Switzerland, Turkey and the United Kingdom.