Growing uncertainty prompts lower demand for equity and bond funds in June

Brussels, 25th August 2011 - 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 June 2011.

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

The main developments in June 2011 in the reporting countries can be summarised as follows:

- UCITS witnessed a swing in net sales in June to record net outflows of EUR 29 billion, after recording net inflows of EUR 22 billion in May. This turnaround in net sales is attributable to large net outflows from money market funds and reduced net sales of equity and bond funds.

- Long-term UCITS (UCITS excluding money market funds) experienced reduced net inflows in June of EUR 7 billion, down from net inflows of EUR 16 billion in May.

- Balanced funds continued to record strong net sales in June increasing to EUR 6 billion, up from EUR 5 billion in May.

- Bond funds, however, experienced a drop in net sales to breakeven point in June, after recording net inflows of EUR 8 billion in the previous month.

- Equity funds experienced a turnaround in net flows during the month to record net outflows of EUR 3 billion, after recording net inflows of EUR 1 billion last month.

- Money market funds experienced large net outflows in June amounting to EUR 36 billion, significantly lower than the net inflows of EUR 6 billion recorded in May. The large net outflow seen in June reflects the cyclical pattern of flows out of money market funds at the end of each quarter and resembles similar net outflows recorded at end December 2010 (EUR 37 billion) and end June 2010 (EUR 34 billion).

- Total non-UCITS net sales increased to EUR 9 billion in June, considerably higher than the net inflows of EUR 1 billion recorded in May.

- Special funds (funds reserved to institutional investors) saw net inflows increase to EUR 6 billion during the month from breakeven point during May.

- Total assets of UCITS amounted to EUR 5,809 billion at end June 2011, a decrease of 2.0 percent since end May.

- Total assets of non-UCITS also witnessed a decrease in net assets of 0.5 percent in June to stand at EUR 2,087 billion.

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

"Uncertainty regarding the strength of the global economic recovery and increasing tensions in the euro area sovereign debt markets undermined investor confidence in June, prompting lower demand for equity and bond funds."

– Ends –

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

For media enquiries, please contact:

Peter De Proft, Director General, or Bernard Delbecque, Director of Economics and Research
Telephone: +32 (0) 2 513 39 69; E-mail: info@efama.org

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 26 member associations and 56 corporate members approximately EUR 14 trillion in assets under management of which EUR 8 trillion was managed by approximately 53,000 funds at the end of 2010. For more information about EFAMA, please visit www.efama.org.

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About the June 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 23 national associations. The contributing national associations are: Austria, Bulgaria, the Czech Republic, Denmark, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Luxembourg, Norway, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden, Switzerland, Turkey and the United Kingdom.