

For immediate release

ECB policy measures heighten investor confidence, leading to strong demand for UCITS during Q4 2012

Brussels, 4th March 2013: The European Fund and Asset Management Association (EFAMA) has today published its latest Quarterly Statistical Release which describes the trends in the European investment fund industry during the fourth quarter of 2012.

The main highlights of the report can be summarised as follows:

Asset growth and net sales in 2012:

- **Investment fund assets in Europe increased by 12.4 percent to EUR 8,944 billion:** overall, net assets of UCITS increased by 11.7 percent to EUR 6,295 billion. Net assets of non-UCITS increased by 14.1 percent to EUR 2,649 billion.
- **Net Sales of UCITS reached EUR 201 billion:** net sales of UCITS returned to positive territory in 2012 after recording net outflows of EUR 97 billion in 2011.
- **A surge in demand for long-term UCITS:** long-term UCITS recorded net inflows of EUR 239 billion in 2012, after registering net outflows of EUR 64 billion in 2011. Bond funds made up the lion's share of net inflows (EUR 203 billion), eclipsing the net inflows into equity funds (EUR 2 billion) and suggesting investors remained risk-averse and cautious about the economic outlook almost until the end of 2012.
- **Money market funds continued to suffer from a low interest rate environment:** money market funds recorded net outflows of EUR 39 billion, up from EUR 33 billion in 2011. Sustained low interest rates, coupled with continued competition from banks for deposits remained challenges for the money market funds industry.
- **Net sales of non-UCITS reached EUR 139 billion:** net sales of non-UCITS increased in 2012, up from EUR 99 billion in 2011. Special funds (funds reserved to institutional investors) attracted EUR 112 billion in net new money, compared to EUR 94 billion in 2011, as insurance companies, pension funds and other institutional investors continued to use these funds to invest the recurrent contributions collected from their members.

Key developments in 2012:

- **Buoyant cross-border fund business dominated by two countries:** the market share of Luxembourg and Ireland in the UCITS assets increased to 47.2 percent at end 2012, compared to 45.8 percent a year earlier. Total net sales of UCITS in these countries reached EUR 187 billion or 93 percent of total UCITS net sales in 2012.
- **Strong growth over the last decade:** total UCITS and non-UCITS assets at end 2012 stood 108 percent higher than at end 2002 and 45 percent higher than at end 2008.

Rue Montoyer 47, B-1000 Bruxelles

- **Crucial contribution to the European economy:** total investment fund assets represented 62 percent of the European Union's GDP at end 2012. This confirms the important contribution of investment funds as financial vehicles raising capital from retail and institutional investors, and providing funding to other sectors (monetary financial institutions, non-financial corporations and government agencies).

Peter de Proft, Director General of EFAMA, comments:

"2012 was a good year for the European investment fund industry and its clients, thanks to improved financial market conditions, which led to strong demand for UCITS during the year. This increased demand resulted partially from the decisive policy measures taken by the ECB and its commitment to do "whatever it takes" to save the euro. Progress in reducing fiscal imbalances and strengthening the governance of the euro area also supported investor confidence."

- Ends -

* Please see the accompanying attachment for the EFAMA Quarterly Statistical Release.

For media enquiries, please contact:

Peter De Proft, Director General, or Bernard Delbecq, Director of Economics and Research:

Telephone: +32 (0) 2 513 39 69;

E-mail: info@efama.org

Notes to editors:

The report for the fourth quarter of 2012 contains statistics from the following 46 countries:

Argentina, Brazil, Canada, Chile, Costa Rica, Mexico, Trinidad & Tobago, United States, Austria, Belgium, Bulgaria, Czech Republic, Denmark, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Lichtenstein, Luxembourg, Netherlands, Norway, Poland, Portugal, Romania, Russia, Slovakia, Slovenia, Spain, Sweden, Switzerland, Turkey, United Kingdom, Australia, China, India, Japan, Rep. of Korea, New Zealand, Pakistan, Philippines, Taiwan, South Africa, Malta.

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 59 corporate members approximately EUR 14 trillion in assets under management of which EUR 8.7 trillion was managed by approximately 54,000 funds at end September 2012. 35,600 of these funds were UCITS (Undertakings for Collective Investments in Transferable Securities) funds. For more information about EFAMA, please visit www.efama.org.