

March 2018 N° 72

This release and other statistical releases are available on Efama's website (www.efama.org)

***Trends in the European Investment Fund Industry
in the Fourth Quarter of 2017
&
Results for the Full Year of 2017***

This report was prepared by Alex Carroll, Thomas Tilley and Bernard Delbecque

EFAMA
The European Fund and Asset Management Association

Rue Montoyer 47 - B-1000 BRUXELLES - Tel. 32-2-513.39.69 Fax: 32-2-513.26.43 - e-mail: info@efama.org

Highlights

2017 was an exceptional year for the European investment fund industry, with net assets of UCITS and AIF surpassing the EUR 15 trillion mark. Net sales of UCITS and AIF reached their highest level yet (EUR 949 billion), breaking the prior record set in 2015 (EUR 756 billion).

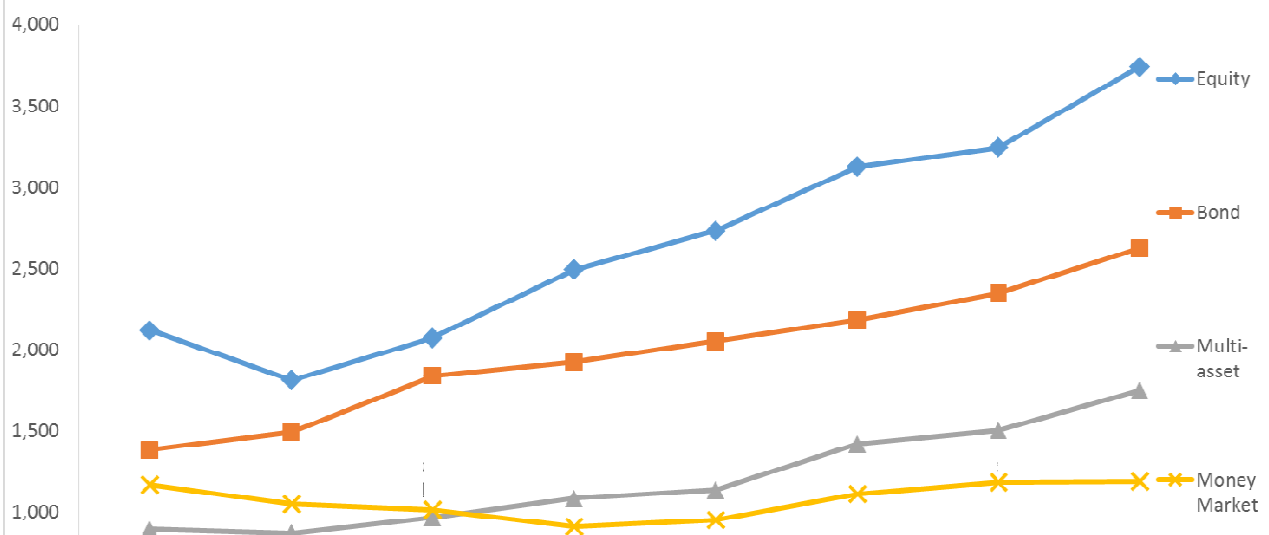
The main developments in 2017 can be summarized as follows:

- **Net sales of UCITS and AIF reached EUR 949 billion in 2017 (EUR 461 billion in 2016).**
- **UCITS net sales amounted to EUR 738 billion (EUR 270 billion in 2016).**
- **Long-term UCITS net sales totaled EUR 670 billion (EUR 159 billion in 2016).**
 - Equity funds enjoyed net inflows of EUR 159 billion (compared to net outflows of EUR 9 billion in 2016).
 - Bond funds registered net sales of EUR 316 billion (EUR 110 billion in 2016).
 - Multi-assets funds registered net sales of EUR 190 billion (EUR 49 billion in 2016).
 - Other UCITS funds registered net sales of EUR 5 billion (EUR 9 billion in 2016).
- **Money market funds registered net sales of EUR 68 billion (EUR 111 billion in 2016).**
- **AIF recorded net sales of EUR 211 billion (EUR 191 billion in 2016), reaching its highest point yet.**
 - Money market AIF funds registered net outflows of EUR 3 billion (compared to net inflows of EUR 1 billion in 2016).
 - Real estate funds registered net sales of EUR 28 billion (EUR 20 billion in 2016).
- **Net assets of UCITS and AIF increased to EUR 15,623 billion (EUR 14,190 billion at end 2016).**

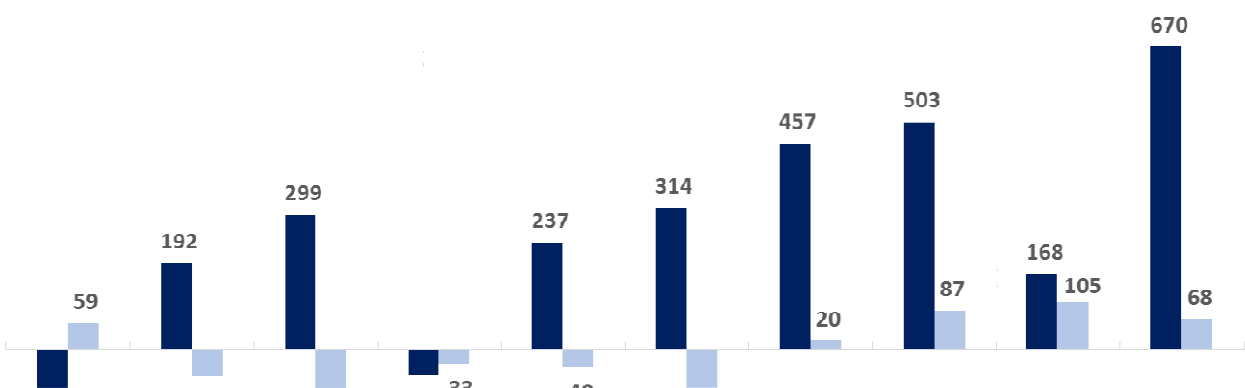
Net Sales by Fund Category and Year ⁽¹⁾							
	Equity	Multi-asset	Bond	Money Market	Other	Long-Term	Total
UCITS							
2017	159	190	316	68	5	670	738
2016	-9	49	110	111	9	159	270
AIF							
2017	27	43	-14	-3	158	214	211
2016	13	66	18	1	93	189	191
UCITS & AIF							
2017	186	233	301	65	163	884	949
2016	3	115	128	112	102	348	461

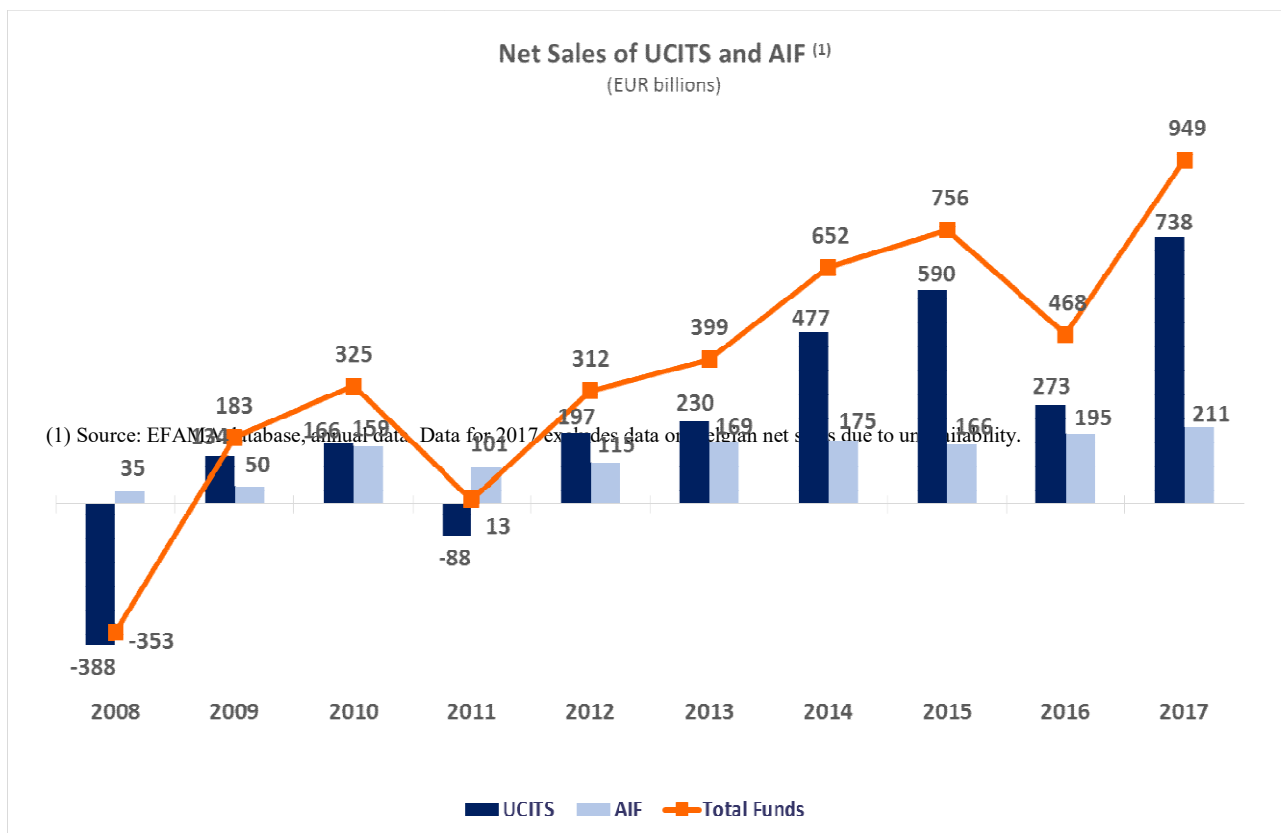
(1) Data presented in billions of euro and calculated on basis of quarterly data. Data in 2017 excludes net sales of funds domiciled in Belgium due to unavailability.

Recent Trends in UCITS Types, net assets⁽¹⁾
(EUR billions)



Net Sales of UCITS Long-Term and Money Market Funds⁽¹⁾
(EUR billions)



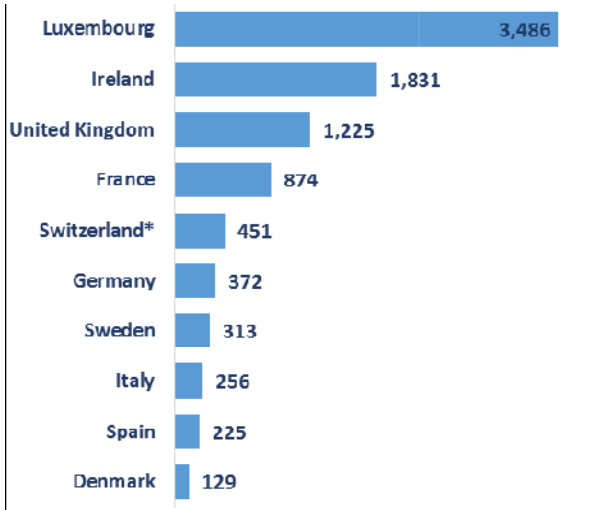


Top Ten Domiciles in 2017

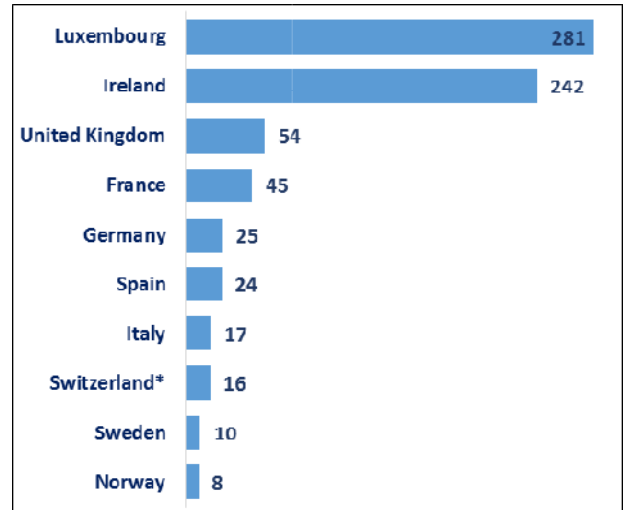
Largest Domiciles in terms of Net Assets and Net Sales

UCITS FUNDS

Net Assets at End 2017
(EUR billion)

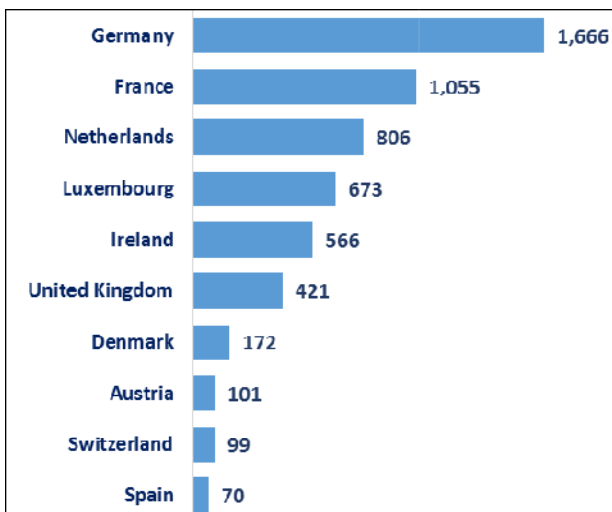


Net Sales in 2017
(EUR billion)

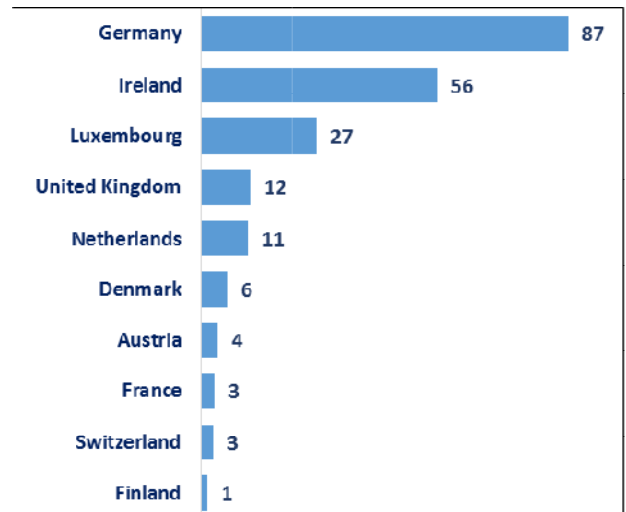


AIF FUNDS

Net Assets at End 2017
(EUR billion)



Net Sales in 2017
(EUR billion)



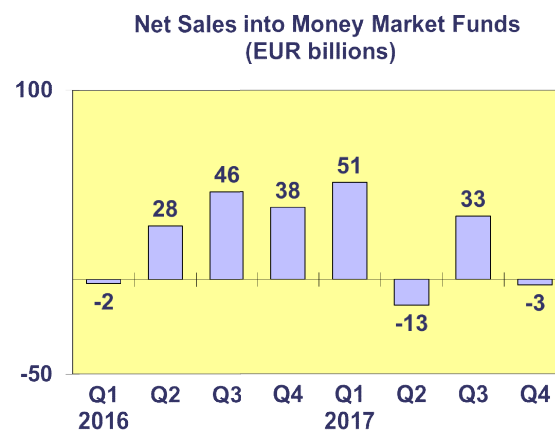
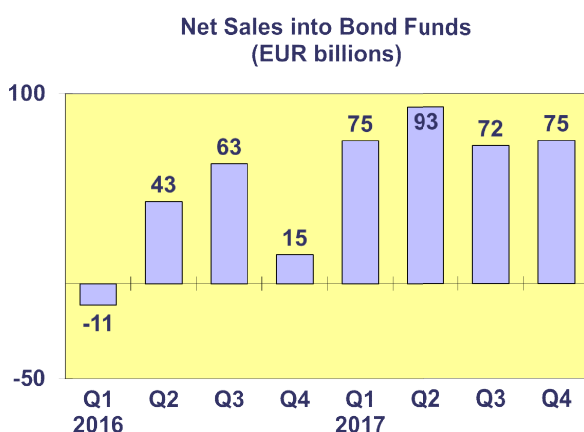
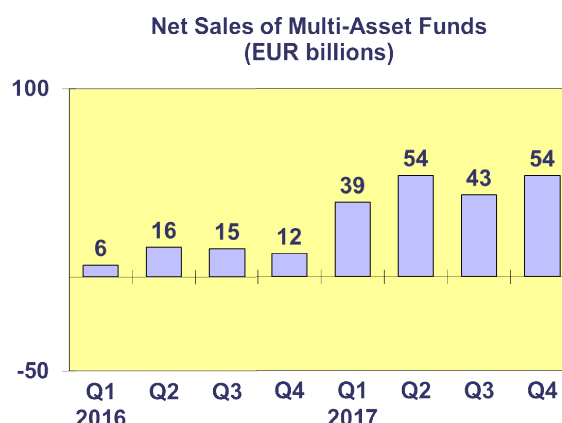
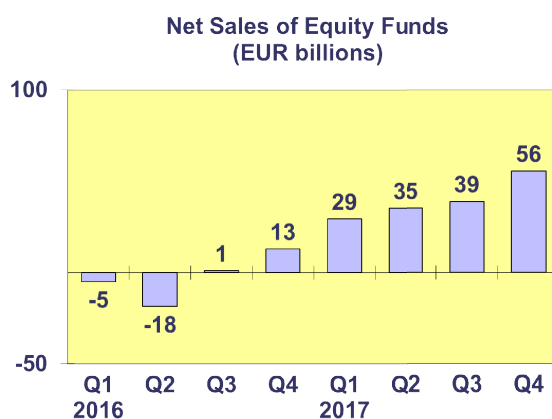
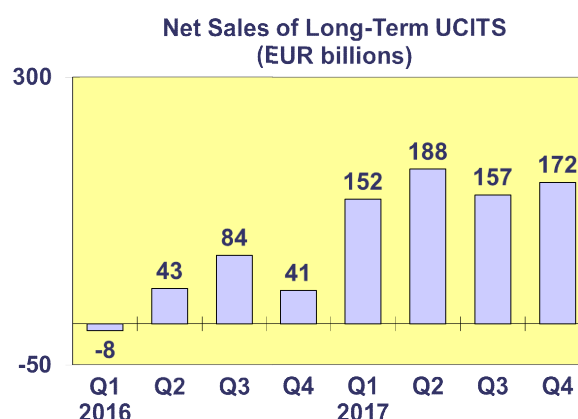
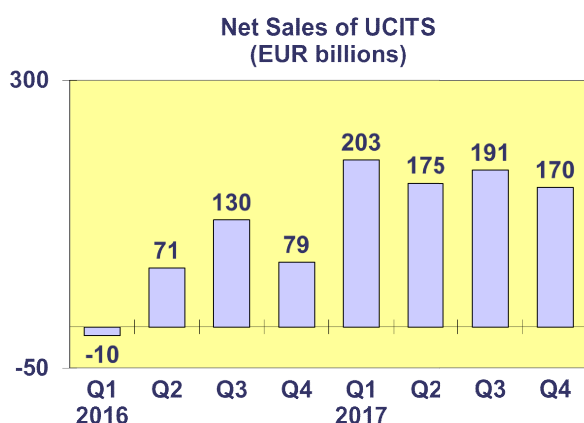
*Funds domiciled in Switzerland that fulfill the UCITS criteria are classified as UCITS.

Trends in the UCITS Market

Net Sales by Investment Type

UCITS recorded net sales of EUR 170 billion in Q4 2017, compared to EUR 191 billion in the third quarter of 2017. In 2017, UCITS attracted cumulative net sales of EUR 738 billion, compared to annual net sales of EUR 273 billion in 2016.

Long-term UCITS recorded net sales of EUR 172 billion in Q4 2017, up from EUR 157 billion in Q3 2017. Net sales of equity funds amounted to EUR 56 billion, compared to EUR 39 billion in Q3 2017. Net sales of multi-asset funds increased from EUR 43 billion in Q3 2017 to EUR 54 billion in Q4 2017. Net sales of bond increased from EUR 72 billion in Q3 2017 to EUR 75 billion in Q4 2017. Reflecting cyclical end-of-year withdrawals from French money market funds, net sales of total European money market reversed from net inflows of EUR 33 billion in Q3 2017 to net outflows of EUR 3 billion in Q4 2017.



Trends in the UCITS Market

Net Sales by Country of Domiciliation and Investment Type

Twenty countries registered net inflows into UCITS in the fourth quarter of 2017, with nine countries recording net sales above EUR 1 billion.

In Q4 2017, the five domiciles with the largest net sales were Luxembourg (EUR 73.9 billion), followed by Ireland (EUR 67.7 billion), United Kingdom (EUR 12.8 billion), Spain (EUR 7.5 billion), and Switzerland (EUR 6.5 billion).

In 2017, eight domiciles attracted net sales larger than EUR 10 billion: Luxembourg (EUR 280.9 billion), Ireland (EUR 242.1 billion), the United Kingdom (EUR 54.1 billion), France (EUR 45.4 billion), Germany (EUR 25 billion), Spain (EUR 24.4 billion), Italy (EUR 16.9 billion) and Switzerland (EUR 16.4 billion).

Table 1. Net Sales of UCITS ⁽¹⁾												
Members	Equity Funds		Bond Funds		Multi-Asset Funds		Money Market Funds		Other Funds		Total	
	Q4 2017	2017	Q4 2017	2017	Q4 2017	2017	Q4 2017	2017	Q4 2017	2017	Q4 2017	2017
Austria	127	-229	-310	-1,208	999	2,190	-3	-18	-183	-416	630	319
Bulgaria	2	25	3	11	13	73	1	-6	-2	-2	17	102
Croatia	-4	-3	108	223	-22	-65	-648	-1,913	19	45	-547	-1,713
Cyprus	5	25	20	26	-5	3	0	0	0	0	20	54
Czechia	64	205	-14	-48	279	906	-1	31	31	160	359	1,254
Denmark	62	2,221	686	-876	797	6,096	-1	-7	24	264	1,568	7,699
Finland	-508	-1,113	-23	1,167	282	2,071	-75	-120	15	113	-309	2,117
France	100	13,400	8,100	28,900	-400	4,800	-22,200	400	-1,100	-2,100	-15,500	45,400
Germany	1,110	8,204	111	3,758	3,515	13,288	-335	-286	108	157	4,509	25,120
Greece	-44	-53	49	38	-18	-26	-82	52	-22	-103	-117	-91
Hungary	14	54	0	15	16	79	0	0	0	63	30	212
Ireland	14,126	53,624	32,243	130,042	3,894	11,187	16,240	41,814	1,185	5,393	67,689	242,061
Italy	320	334	-595	1,825	8,249	26,503	108	-684	-3,433	-11,106	4,648	16,873
Liechtenstein	-188	705	-106	141	-3	343	-150	-125	63	174	-384	1,237
Luxembourg	24,360	47,745	26,689	119,674	26,203	89,300	5,872	23,387	-9,188	821	73,936	280,927
Malta	0	-180	2	115	16	-18	-3	-8	-1	206	14	116
Netherlands	-325	-961	-550	-1,142	420	1,186	0	0	-96	-112	-551	-1,029
Norw ay	118	2,484	-139	3,465	423	792	320	1,489	109	220	830	8,450
Poland	71	157	-54	-17	150	392	700	1,534	-24	15	842	2,081
Portugal	26	47	193	495	179	403	-9	-61	-58	460	331	1,344
Romania	2	18	-84	-73	13	77	-5	0	-32	36	-106	57
Slovakia	19	-5	-2	11	142	458	-2	-5	0	0	157	460
Slovenia	4	13	-1	9	14	55	-25	-44	0	1	-9	33
Spain	4,896	17,245	817	-1,802	2,189	7,938	-869	-2,446	463	3,475	7,496	24,410
Sw eden	3,126	5,348	1,231	2,682	637	2,012	-309	-167	-45	-77	4,640	9,798
Sw itzerland	5,111	3,177	2,266	8,635	559	3,081	-1,480	1,531	0	0	6,457	16,424
Turkey	18	79	-96	-528	129	352	7	-57	172	496	231	342
United Kingdom	2,944	6,388	4,642	20,110	5,030	16,882	172	4,020	-8	6,682	12,779	54,081
Total	55,557	158,956	75,185	315,649	53,698	190,356	-2,775	68,310	-12,004	4,866	169,661	738,138
(1) Data presented in millions of euro.												

(1) Data presented in millions of euro.

Trends in the UCITS Market

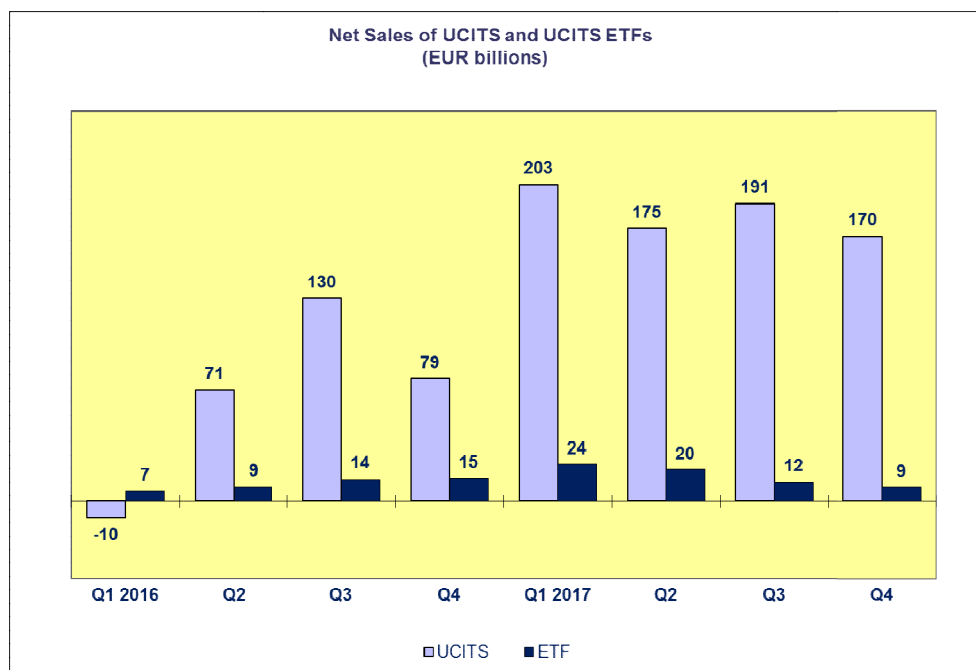
Net Sales and Net Assets of ETF by Country of Domiciliation

Net sales of UCITS ETF amounted to EUR 8.8 billion in Q4 2017, down from EUR 12.1 billion in the third quarter. UCITS ETF attracted net sales of EUR 64.5 billion in 2017.¹

UCITS ETF domiciled in Ireland registered the largest net sales during the quarter (EUR 14.0 billion), reflecting the size of the ETF market, whereas France recorded net outflows (EUR 4.9 billion). Looking at total net sales in 2017, Ireland attracted the largest net sales (EUR 56.6 billion), followed by France (EUR 4.4 billion) and Germany (EUR 3.7 billion)

Table 2. Total Net Sales of UCITS ETFs ⁽¹⁾					
	Net Assets	Net Sales			
	end Q4 2017	Q4 2017		2017	
	ETF	UCITS	UCITS ETF ⁽²⁾	UCITS	UCITS ETF ⁽²⁾
Belgium	1,472	n.a.	n.a.	n.a.	n.a.
Bulgaria	16	17	0.3	102	2
Finland	254	-309		2,117	37
France	82,383	-15,500	-4,907	45,400	4,409
Germany	55,583	4,509	-118	25,120	3,731
Greece	22	-117	0.002	-91	-13
Ireland	355,226	67,689	14,039	242,061	56,622
Luxembourg	109,848	73,936	n.a.	280,927	n.a.
Netherlands	1,391	-551	58	-1,029	-175
Romania	1	-106	0.02	57	0.3
Spain	356	7,496		24,410	-18
Sweden	2,940	4,640	53	9,798	94
Switzerland	3,969	6,457	-336	16,424	-157
Turkey	34	231	-4	342	-4
Total	613,495	148,393	8,785	645,638	64,528

(1) Data presented in millions of euro. All data from EFAMA member associations able to provide ETF data are reported; (2) Net sales of UCITS ETF are included in net sales figures of UCITS.



¹ Please note that this data does not include net sales of UCITS ETF domiciled in Luxembourg.

Trends in the UCITS Market

Net Assets by Investment Type

Net assets of UCITS increased by 3.0% since end Q3 2017 to reach EUR 9,714 billion at end Q4 2017. Over the course of the year 2017, UCITS net assets grew by 12%.

In Q4 2017, multi-asset funds recorded the largest increase in net assets (4.7%), followed by equity (4.5%), and bond funds (2.4%). Guaranteed/protected funds saw the largest decrease in net assets (6.1%), followed by money market funds (1.0%). Other UCITS funds recorded net asset decreases of 1.9%.

In 2017, the largest net asset increase was seen in multi-asset funds (16.1%), followed by equity (15.3%), bond (11.8%), and money market funds (0.4%). The largest net asset decrease was registered in guaranteed/protected funds (18.7%). Other UCITS funds increased by 5.7%.

The number of UCITS funds increased from 60,683 at end Q4 2016 to 31,974 at end Q4 2017.

Table 3. Breakdown of UCITS Assets by Category						
UCITS types	End Q4 2017		Change from end Q3 2017		Change from end Q4 2016	
	EUR bn	Share	in % ⁽¹⁾	in EUR bn	in % ⁽²⁾	in EUR bn
Equity	3,742	39%	4.5%	160	15.3%	498
Multi-Asset	1,748	18%	4.7%	78	16.1%	243
Bond	2,625	27%	2.4%	61	11.8%	276
Money Market	1,190	12%	-1.0%	-12	0.4%	5
Guaranteed / protected	11	0.1%	-6.1%	-0.7	-18.7%	-3
Other	398	4%	-1.9%	-8	5.7%	21
Total	9,714	100%	3.0%	279	12.0%	1,040
of which:						
Exchange-traded funds	613	6%	5.5%	32	23.1%	115
Funds of funds	384	4%	0.3%	1	12.2%	42

(1) End Q4 2017 compared to end Q3 2017 net assets; (2) End Q4 2017 net assets compared to end Q4 2016 net assets.

Table 4. Breakdown of UCITS Number of Funds by Category						
UCITS types	End Q4 2017		Change from end Q3 2017		Change from end Q4 2016 ⁽³⁾	
	No.	Share	in % ⁽¹⁾	No.	in % ⁽²⁾	No.
Equity	12,459	39%	2.1%	251	25.8%	2,552
Multi-Asset	8,343	26%	1.4%	115	13.2%	975
Bond	7,380	23%	0.7%	48	19.3%	1,192
Money Market	786	2%	-0.4%	-3	11.6%	82
Guaranteed / protected	318	1%	-4.5%	-15	-8.1%	-28
Other	2,688	8%	0.4%	11	-56.4%	-3,482
Total	31,974	100%	1.3%	407	4.2%	1,291
of which:						
Exchange-traded funds	1,511	5%	2.3%	34	77.8%	661
Funds of funds	2,285	7%	0.3%	8	6.4%	138

(1) End Q4 2017 compared to end Q3 2017 net assets; (2) End Q4 2017 net assets compared to end Q4 2016 net assets; (3) Large growth is partially due to the fact that a complete breakdown of the number of funds domiciled in Ireland is available starting in Q2 2017.

Twenty-four domiciles recorded net asset growth at end Q4 2017, with net assets of UCITS reaching EUR 9,714 billion at end Q4 2017.

In Western Europe, Belgium recorded the largest net asset growth in Q4 2017 (12.5%), followed by Ireland (4.8%) and the UK (4.1%). With the exception of Turkey, all domiciles in the Southern European region experienced net asset growth with the largest growth in Cyprus (16.0%), followed by Greece (4.4%), Portugal (4.4%), and Spain (4.2%). With the exception of Norway, net asset growth was also positive in the Nordic countries, with the largest net asset increase registered in Finland (4.6%). In Central and Eastern Europe, the largest increase in net assets was recorded in Czechia (6.7%).

Of the largest UCITS domiciles, Ireland recorded the largest net asset increases in 2017 (15.9%), followed by Luxembourg (11.9%), the UK (11.6%), and France (9.8%). Elsewhere in Europe, net asset growth greater than 20% was recorded in Cyprus, Belgium, Czechia, Bulgaria, Poland, Portugal, and Malta.

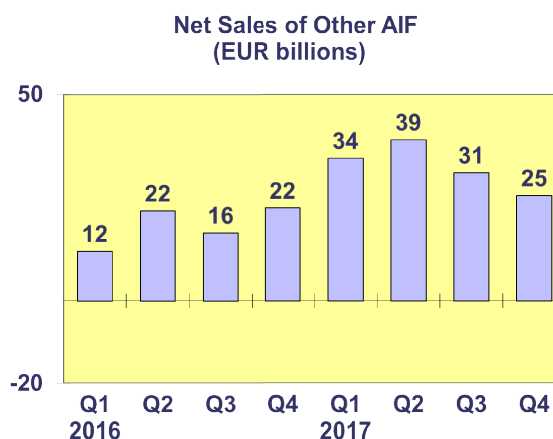
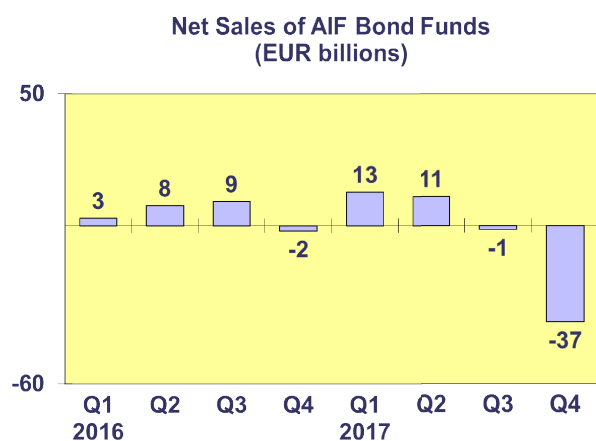
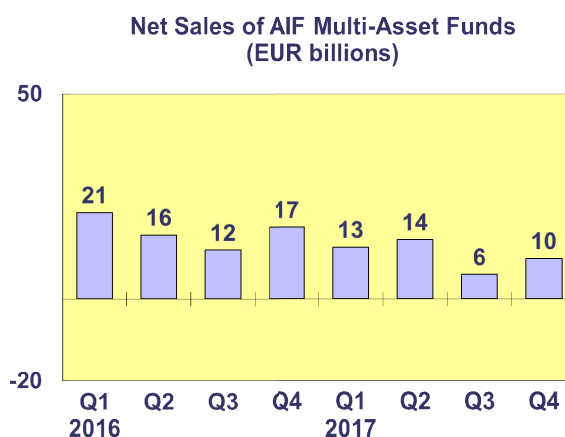
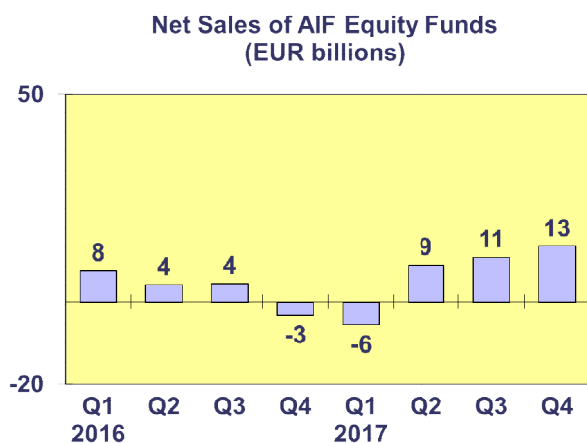
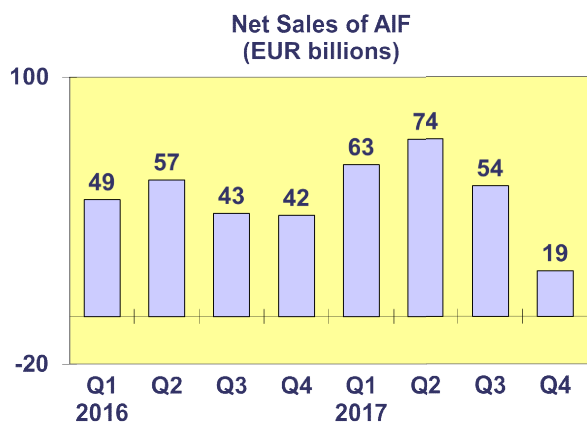
Table 5. Net Assets of the European UCITS Industry						
Members	End Q4 2017		End Q3 2017		End Q4 2016	
	EUR mn	Share	EUR mn	% chg ⁽¹⁾	EUR mn	% chg ⁽²⁾
Austria	82,228	0.8%	80,773	1.8%	80,301	2.4%
Belgium	105,241	1.1%	93,552	12.5%	81,124	29.7%
Bulgaria	645	0.0%	623	3.6%	523	23.4%
Croatia	2,487	0.0%	2,471	0.6%	2,439	1.9%
Cyprus	167	0.0%	144	16.0%	108	54.6%
Czechia	10,746	0.1%	10,070	6.7%	8,554	25.6%
Denmark	129,153	1.3%	125,856	2.6%	117,455	10.0%
Finland	102,932	1.1%	98,377	4.6%	86,180	19.4%
France	873,868	9.0%	885,287	-1.3%	795,696	9.8%
Germany	371,779	3.8%	365,642	1.7%	329,709	12.8%
Greece	4,928	0.1%	4,720	4.4%	4,347	13.4%
Hungary	1,579	0.0%	1,534	3.0%	667	136.9% ⁽³⁾
Ireland	1,830,519	18.8%	1,746,418	4.8%	1,578,920	15.9%
Italy	255,784	2.6%	250,459	2.1%	234,214	9.2%
Liechtenstein	28,132	0.3%	27,909	0.8%	26,445	6.4%
Luxembourg	3,486,445	35.9%	3,380,943	3.1%	3,116,104	11.9%
Malta	2,722	0.0%	2,659	2.4%	2,240	21.5%
Netherlands	37,153	0.4%	37,308	-0.4%	37,642	-1.3%
Norway	115,682	1.2%	118,527	-2.4%	108,026	7.1%
Poland	25,847	0.3%	24,386	6.0%	21,073	22.7%
Portugal	8,827	0.1%	8,454	4.4%	7,207	22.5%
Romania	4,874	0.1%	5,022	-2.9%	4,819	1.1%
Slovakia	4,926	0.1%	4,734	4.0%	4,349	13.3%
Slovenia	2,657	0.0%	2,615	1.6%	2,464	7.9%
Spain	225,419	2.3%	216,422	4.2%	193,454	16.5%
Sweden	312,505	3.2%	309,714	0.9%	283,468	10.2%
Switzerland	451,486	4.6%	443,522	1.8%	437,886	3.1%
Turkey	10,994	0.1%	11,125	-1.2%	11,647	-5.6%
United Kingdom	1,224,737	12.6%	1,176,587	4.1%	1,097,157	11.6%
All Funds	9,714,462	100%	9,435,853	3.0%	8,674,218	12.0%
<small>(1) End Q4 2017 compared to end Q3 2017 net assets; (2) End Q4 2017 net assets compared to end Q4 2016 net assets; (3) Large growth due in part due to a conversion of AIF funds into UCITS.</small>						

Trends in the AIF Market

Net Sales by Investment Type

AIF recorded net sales of EUR 19 billion in Q4 2017. In 2017, AIF attracted net sales of EUR 211 billion, the highest amount in any given year so far.

Long-term AIF recorded net sales of EUR 20 billion in Q4 2017, down from EUR 53 billion in Q3 2017. Net sales of equity funds increased from EUR 11 billion in the third quarter to EUR 13 billion in the fourth quarter. Net sales of multi-asset funds increased from EUR 6 billion in Q3 2017 to EUR 10 billion in Q4 2017. Net outflows from bond funds increased from EUR 1 billion in Q3 2017 to EUR 37 billion in Q4 2017, mostly due to withdrawals after a restructuring of pension fund investment portfolios in the Netherlands. Net sales of other funds decreased from EUR 31 billion in Q3 2017 to EUR 25 billion in Q4 2017.



Trends in the AIF Market

Net Sales by Country of Domiciliation and Investment Type

Eighteen domiciles experienced net inflows into AIF in Q4 2017, with seven countries recording net sales higher than EUR 1 billion.

In Q4 2017, net sales above EUR 1 billion were registered in Germany (EUR 26 billion), Luxembourg (EUR 6.6 billion), the United Kingdom (EUR 2.9 billion), Ireland (2.1 billion), Switzerland (EUR 1.7 billion), Austria (EUR 1.0 billion) and Denmark (EUR 1.1 billion).

In 2017, five countries attracted net sales greater than EUR 10 billion: Germany (EUR 86.9 billion), Ireland (EUR 56.0 billion), Luxembourg (EUR 27.4 billion), the United Kingdom (EUR 11.6 billion), and the Netherlands (EUR 11.0 billion).

Table 6. Net Sales of AIF ⁽¹⁾														
Members	Equity Funds		Bond Funds		Multi-Asset Funds		Money Market Funds		Real Estate Funds		Other Funds		Total	
	Q4 2017	2017	Q4 2017	2017	Q4 2017	2017	Q4 2017	2017	Q4 2017	2017	Q4 2017	2017	Q4 2017	2017
Austria	469	712	407	715	47	1,837	0	0	186	715	-12	-56	1,097	3,923
Cyprus	0	11	0	31	-1	14	0	0	41	28	53	110	93	194
Czechia	0	0	0	0	0	0	0	0	14	169	0	0	14	169
Denmark	246	5,137	-215	-1,353	865	2,176	0	-155	0	0	170	316	1,066	6,120
Finland	138	-119	113	304	232	719	-3	-9	-13	-13	138	508	605	1,390
France	2,800	-2,400	-7,300	-2,500	3,600	7,500	-1,000	-700	0	0	-600	1,200	-2,500	3,100
Germany	4,641	9,862	-2,244	7,134	5,374	25,834	0	0	4,757	14,695	13,488	29,384	26,015	86,908
Hungary	21	112	-40	-637	159	392	-188	-931	145	794	137	912	233	642
Ireland	0	0	0	0	0	0	559	184	469	2,760	1,078	53,046	2,106	55,990
Italy ⁽²⁾	0	0	0	0	0	0	0	0	0	0	-178	-933	-178	-933
Liechtenstein	169	199	129	386	307	278	0	0	5	28	229	263	840	1,154
Luxembourg	759	-2,029	-1,945	-538	213	884	-7	-737	648	6,126	6,922	23,732	6,590	27,438
Malta	71	-315	-48	0	-10	-43	0	0	18	18	164	356	195	16
Netherlands	2,836	11,524	-23,010	-13,854	-2,347	-4,179	0	0	565	2,370	1,117	15,183	-20,839	11,044
Poland	-72	-285	175	935	64	396	132	280	12	106	-25	-102	286	1,329
Portugal	0	0	0	7	0	1	-140	-779	0	0	119	351	-22	-421
Romania	0	0	0	0	0	11	0	0	0	0	19	18	19	28
Slovakia	1	5	-1	-2	10	36	-23	-115	48	161	0	0	36	86
Spain	337	1,891	-1,462	-4,185	-62	-92	0	0	0	0	-460	-802	-1,647	-3,188
Sweden	81	556	-60	-30	8	-35	-24	-46	0	0	370	731	375	1,177
Switzerland	0	0	0	0	0	0	0	0	249	1,415	1,411	1,434	1,660	2,848
Turkey	0	0	0	0	0	0	0	0	3	23	7	11	10	33
United Kingdom	848	2,328	-1,035	-648	1,434	7,258	0	-373	311	-1,208	1,312	4,220	2,869	11,577
Total	13,346	27,189	-36,536	-14,237	9,893	42,987	-694	-3,381	7,458	28,188	25,457	129,879	18,924	210,625
(1) Data presented in millions of euro; (2) Excludes net sales of closed-ended funds due to unavailability of data.														

Trends in the AIF Market

Net Assets by Investment Type

Net assets of AIF increased by 1.3% in the fourth quarter to reach EUR 5,909 billion. Since end Q4 2016 net assets of AIF grew by 7.1%.

In Q4 2017, equity funds recorded the largest asset growth (4.3%), followed by real estate (2.9%), and multi-asset funds (0.2%). Decreases in net assets were recorded in bond funds (3.5%), guaranteed/protected funds (2.7%) and money market funds (1.0%). Other AIF funds recorded net asset growth of 3.5%.

Equity funds registered the largest increase in net assets in 2017 (12.6%), followed by “other” AIF funds (16.0%). Money market funds saw the largest net asset decrease (7.3%), followed by guaranteed/protected funds (6.8%).

The number of AIF funds increased from 28,144 funds at end Q4 2016 to 28,231 funds at end Q4 2017.

Type of fund	End Q4 2017		Change since end Q3 2017		Change since end Q4 2016	
	EUR bn	Share	in % ⁽¹⁾	in EUR bn	in % ⁽²⁾	in EUR bn
Equity	761	13%	4.3%	32	12.6%	85
Multi-Asset	1,472	25%	0.2%	3	2.9%	41
Bond	1,004	17%	-3.5%	-37	-3.2%	-34
Money Market	82	1%	-1.0%	-1	-7.3%	-6
Guaranteed / protected	45	1%	-2.7%	-1	-6.8%	-3
Real Estate	630	11%	2.9%	17	7.8%	46
Other	1,914	32%	3.5%	65	16.0%	265
Total	5,909	100%	1.3%	78	7.1%	393
<i>of which:</i>						
Exchange-traded funds	10	0.2%	2.3%	0.2	11.9%	1
Funds of funds	541	9%	3.8%	20	11.4%	55
Institutional	2,860	48%	1.9%	52	8.4%	222

(1) End Q4 2017 compared to end Q3 2017 net assets; (2) End Q4 2017 net assets compared to end Q4 2016 net assets.

Type of fund	End Q4 2017		Change since end Q3 2017 ⁽¹⁾		Change since end Q4 2016 ⁽¹⁾	
	No.	Share	in % ⁽²⁾	in No.	in % ⁽³⁾	in No.
Equity	2,402	9%	0.3%	6	-3.3%	-81
Multi-Asset	7,360	26%	-1.2%	-92	-4.2%	-322
Bond	2,764	10%	-3.4%	-97	-6.0%	-175
Money Market	226	1%	-4.2%	-10	-5.4%	-13
Guaranteed / protected	869	3%	-4.8%	-44	-19.5%	-210
Real Estate	2,832	10%	1.2%	34	12.2%	307
Other	11,778	42%	1.3%	151	5.2%	581
Total	28,231	100%	-0.2%	-52	0.3%	87
<i>of which:</i>						
Exchange-traded funds	25	0.1%	0.0%	0	-7.4%	-2
Funds of funds	2,911	10%	0.8%	23	0.1%	2
Institutional	11,784	42%	-0.1%	-11	1.8%	206

(1) End Q4 2017 compared to end Q3 2017 net assets; (2) End Q4 2017 net assets compared to end Q4 2016 net assets; (3) A complete breakdown of the number of funds domiciled in Ireland is available starting in Q2 2017.

Trends in the AIF Market

Net Sales and Assets of Institutional AIF

Net assets of institutional AIF, which are AIF reserved for institutional investors, increased 1.9% to EUR 2,860 billion at end Q4 2017.

Net assets of institutional money market funds increased by 5.4% in Q4 2017, followed by equity (4.5%) and real estate (2.3%). Net assets of institutional multi-asset funds stayed the same as the previous quarter, while net assets of bond funds decreased by 0.5%. Net assets of other AIF funds increased by 7.8%.

In 2017, the largest increase in the net assets was recorded in equity and money market funds (14.6% and 14.7%, respectively), followed by real estate funds (13.2%).

In Q4 2017, institutional AIF recorded approximately the same level of net sales as in Q3 and Q1 2017 (EUR 38 billion).

Table 9. Breakdown of Institutional AIF Assets by Category						
Institutional AIF types	End Q4 2017		Change since end Q3 2017		Change since end Q4 2016	
	EUR bn	Share	in % ⁽¹⁾	in EUR bn	in % ⁽²⁾	in EUR bn
Equity	241	10%	4.5%	10	14.6%	31
Multi-Asset	1,015	43%	0.0%	0	4.1%	40
Bond	570	24%	-0.5%	-3	0.0%	0
Money Market	10	0.4%	5.4%	1	14.7%	1.3
Real Estate	184	8%	2.3%	4	13.2%	21
Other	349	15%	7.8%	25	24.6%	69
Total (ex. Ireland)	2,368	100%	1.6%	37	7.4%	163
Total (inc. Ireland)	2,860		1.9%	52	8.4%	222

(1) End Q4 2017 compared to end Q3 2017 net assets; (2) End Q4 2017 net assets compared to end Q4 2016 net assets.

Table 10. Breakdown of Institutional AIF Net Sales Assets by Category				
Institutional AIF types	Q4 2017 EUR m	Q3 2017 EUR m	Q2 2017 EUR m	Q1 2017 EUR m
Equity	6,017	2,504	1,912	2,556
Multi-Asset	5,795	5,689	6,154	8,677
Bond	-3,172	-1,481	3,462	5,862
Money Market	452	547	222	-77
Real Estate	4,188	3,898	3,623	4,432
Other	20,122	11,539	9,188	10,872
Total (ex. Ireland)	33,402	22,696	24,560	32,322
Total (inc. Ireland)	38,635	38,065	45,960	38,827

Trends in the AIF Market

Net Assets by Country of Domiciliation

Net assets of AIF increased 1.3% compared to the previous quarter and 7.1% compared to end 2016.

In the largest AIF domiciles, the largest net asset growth in Q4 2017 was seen in Luxembourg and Ireland (2.6%), followed by United Kingdom (2.0%), Germany (1.0%), France (0.8%) and the Netherlands (0.3%). Elsewhere in Europe, net assets grew strongly in Cyprus (16.8%), Belgium (12.5%), and Czechia (9.0%).

Of the five largest AIF domiciles, Luxembourg recorded net asset growth of 15.1%, followed by Ireland (11.8%), Germany (6.9%), Netherlands (5.6%), and France (5.2%). Elsewhere in Europe, strong growth was seen in Czechia (41.2%), Cyprus (24.7%), Croatia (24.6%), Sweden (12.3%), and Belgium (11.5%).

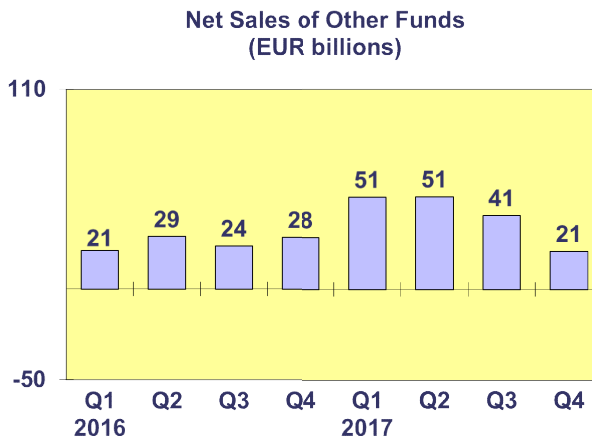
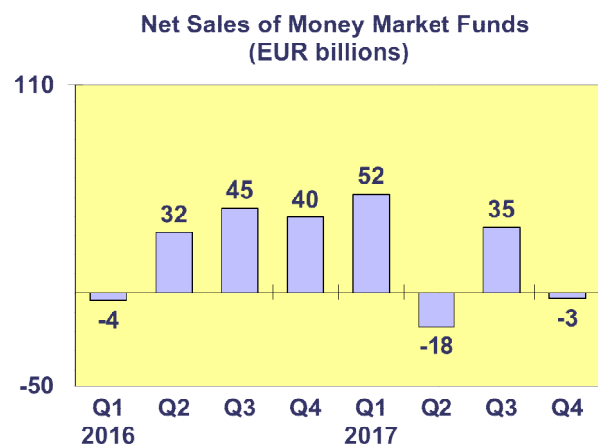
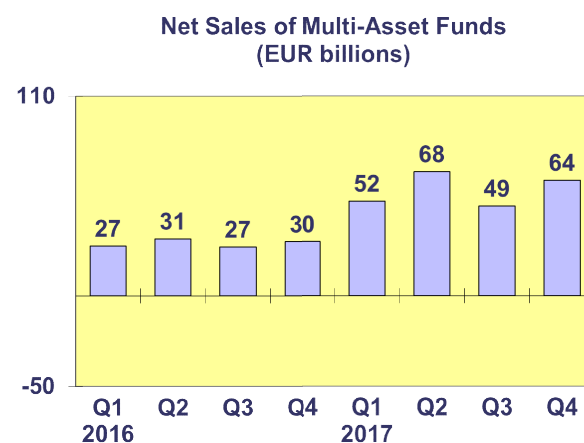
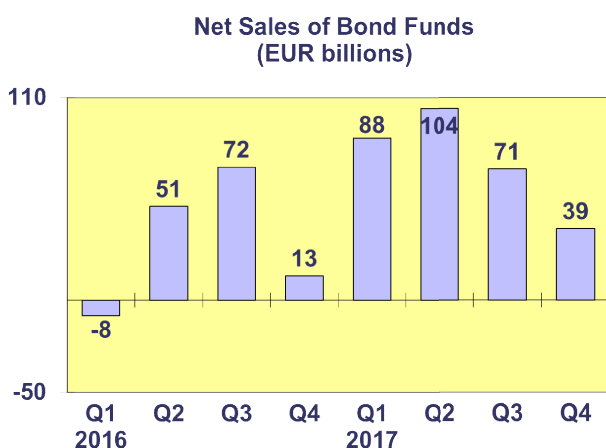
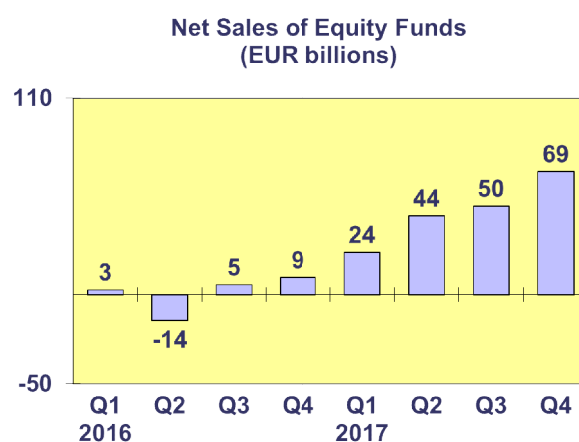
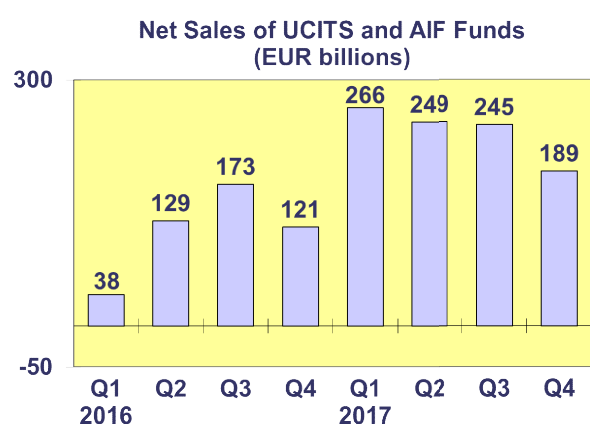
Table 11. Net Assets of the European AIF Industry						
Members	End Q4 2017		End Q3 2017		End Q4 2016	
	EUR mn	Share	EUR mn	% chg ⁽¹⁾	EUR mn	% chg ⁽²⁾
Austria	100,654	1.7%	98,742	1.9%	93,497	7.7%
Belgium	50,991	0.9%	45,328	12.5%	45,752	11.5%
Bulgaria	9	0.0%	9	0.6%	8	7.1%
Croatia	480	0.0%	477	0.6%	385	24.6%
Cyprus	2,581	0.0%	2,210	16.8%	2,069	24.7%
Czechia	928	0.0%	852	9.0%	657	41.2% ⁽³⁾
Denmark	171,671	2.9%	167,465	2.5%	158,514	8.3%
Finland	13,323	0.2%	15,265	-12.7%	20,215	-34.1%
France	1,055,247	17.9%	1,046,682	0.8%	1,002,948	5.2%
Germany	1,666,413	28.2%	1,650,052	1.0%	1,558,587	6.9%
Greece	2,906	0.0%	2,906	0.0%	2,765	5.1%
Hungary	18,189	0.3%	17,946	1.4%	18,065	0.7%
Ireland	565,569	9.6%	551,466	2.6%	505,828	11.8%
Italy ⁽⁴⁾	64,983	1.1%	65,206	-0.3%	68,945	-5.7% ⁽⁵⁾
Liechtenstein	18,263	0.3%	17,334	5.4%	17,658	3.4%
Luxembourg	673,169	11.4%	656,197	2.6%	584,972	15.1%
Malta	7,768	0.1%	7,398	5.0%	7,569	2.6%
Netherlands	806,335	13.6%	803,544	0.3%	763,770	5.6%
Poland	40,939	0.7%	39,209	4.4%	37,635	8.8%
Portugal	14,258	0.2%	14,343	-0.6%	14,427	-1.2%
Romania	4,289	0.1%	4,157	3.2%	4,181	2.6%
Slovakia	1,652	0.0%	1,613	2.4%	1,538	7.4%
Slovenia	n.a.		n.a.		39	
Spain	69,846	1.2%	72,207	-3.3%	75,059	-6.9%
Sweden	22,916	0.4%	22,853	0.3%	20,407	12.3%
Switzerland	99,313	1.7%	98,310	1.0%	99,885	-0.6%
Turkey	14,656	0.2%	15,783	-7.1%	15,620	-6.2%
United Kingdom	421,321	7.1%	413,055	2.0%	394,970	6.7%
All Funds	5,908,669	100.0%	5,830,607	1.3%	5,515,965	7.1%
(1) End Q4 2017 compared to end Q3 2017; (2) End Q4 2017 compared to end Q4 2016; (3) Large growth in assets is a result of large-scale advertising campaign by existing real estate funds; (4) All quarters include net assets of closed-ended funds at end 2016; (5) Data covering AUM of approximately EUR 4 billion currently unavailable for Q4 2017.						

Trends in the European Investment Fund Industry

Net Sales by Investment Type

The combined net sales of the investment industry market in Europe, i.e. the market for UCITS and AIF, recorded net sales of EUR 189 billion during Q4 2017, compared to EUR 245 billion in Q3 2017. In 2017, European investment funds attracted net sales of EUR 949 billion, marking 2017 as a record year.

In Q4 2017, net sales of equity funds increased to EUR 69 billion, compared to EUR 50 billion in the previous quarter. Net sales of bond funds decreased from EUR 71 billion in Q3 2017 to EUR 39 billion in Q4 2017. Net sales of multi-asset funds totalled EUR 64 billion in Q4 2017, up from EUR 49 billion in the previous quarter. Money market funds experienced net outflows of EUR 3 billion, compared to net inflows of EUR 35 billion in the third quarter of 2017. Net sales of other funds (including real estate, guaranteed/protected funds and other funds which do not fit any of the categories below or for which information is not available) totalled EUR 21 billion, down from EUR 41 billion during the previous quarter.



Trends in the European Investment Fund Industry

Net Assets by Country of Domiciliation

Total net assets of the European investment increased to EUR 15,623 billion at end Q4 2017, representing net asset growth of 2.3% since Q3 2017 and 10.1% since end 2016.

With EUR 9,715 billion invested in UCITS, this segment accounted for 62.2% of total European investment fund assets at end Q4 2017, with the remaining 37.8% (equivalent to EUR 5,909 billion) coming from AIF.

Table 12. Net Assets of the European Investment Fund Industry						
Members	End Q4 2017		End Q3 2017		End Q4 2016	
	EUR m n	Share	EUR m n	% chg ⁽¹⁾	EUR m n	% chg ⁽²⁾
Austria	182,882	1.2%	179,514	1.9%	173,798	5.2%
Belgium	156,232	1.0%	138,880	12.5%	126,876	23.1%
Bulgaria	654	0.0%	631	3.6%	531	23.1%
Croatia	2,966	0.0%	2,947	0.6%	2,824	5.0%
Cyprus	2,748	0.0%	2,354	16.7%	2,177	26.2%
Czechia	11,674	0.1%	10,922	6.9%	9,211	26.7%
Denmark	300,824	1.9%	293,321	2.6%	275,968	9.0%
Finland	116,254	0.7%	113,642	2.3%	106,395	9.3%
France	1,929,115	12.3%	1,931,969	-0.1%	1,798,644	7.3%
Germany	2,038,192	13.0%	2,015,694	1.1%	1,888,296	7.9%
Greece	7,834	0.1%	7,626	2.7%	7,112	10.2%
Hungary	19,768	0.1%	19,480	1.5%	18,732	5.5%
Ireland	2,396,089	15.3%	2,297,884	4.3%	2,084,748	14.9%
Italy	320,767	2.1%	315,665	1.6%	303,158	5.8%
Liechtenstein	46,396	0.3%	45,243	2.5%	44,103	5.2%
Luxembourg	4,159,614	26.6%	4,037,140	3.0%	3,701,076	12.4%
Malta	10,490	0.1%	10,057	4.3%	9,810	6.9%
Netherlands	843,488	5.4%	840,852	0.3%	801,412	5.3%
Norway	115,682	0.7%	118,527	-2.4%	108,026	7.1%
Poland	66,786	0.4%	63,595	5.0%	58,709	13.8%
Portugal	23,085	0.1%	22,797	1.3%	21,634	6.7%
Romania	9,164	0.1%	9,179	-0.2%	9,001	1.8%
Slovakia	6,578	0.0%	6,347	3.6%	5,887	11.7%
Slovenia	2,657	0.0%	2,615	1.6%	2,502	6.2%
Spain	295,265	1.9%	288,629	2.3%	268,513	10.0%
Sweden	335,421	2.1%	332,567	0.9%	303,874	10.4%
Switzerland	550,799	3.5%	541,832	1.7%	537,771	2.4%
Turkey	25,649	0.2%	26,908	-4.7%	27,267	-5.9%
United Kingdom	1,646,058	10.5%	1,589,642	3.5%	1,492,127	10.3%
All Funds	15,623,131	100.0%	15,266,459	2.3%	14,190,183	10.1%
UCITS	9,714,462	62.2%	9,435,853	3.0%	8,674,218	12.0%
AIFs	5,908,669	37.8%	5,830,607	1.3%	5,515,965	7.1%

(1) End Q4 2017 compared to end Q3 2017; (2) End Q4 2017 compared to end Q4 2016.

Trends in the European Investment Fund Industry

Number of Funds by Country of Domiciliation

The total number of UCITS and AIF funds increased 0.6% by end Q4 2017 to end the year at 60,205.

At the end of the fourth quarter of 2017, UCITS accounted for 31,974 funds or 53.1% of the number of funds in the European market. AIF accounted for 28,231 funds, or 46.9% of the amount of funds in the market.

Table 13. Number of funds in the European Investment Fund Industry						
Members	End Q4 2017		End Q3 2017		End Q4 2016	
	UCITS	AIF	UCITS	AIF	UCITS	AIF
Austria	983	1,040	987	1,041	1,021	1,010
Belgium	655	446	655	446	623	541
Bulgaria	117	2	113	2	111	2
Croatia	94	39	94	39	89	29
Cyprus	24	223	24	198	21	148
Czechia	158	4	150	4	141	3
Denmark	630	383	624	382	595	354
Finland	365	105	341	104	350	109
France	3,163	7,697	3,164	7,725	3,164	7,874
Germany	1,933	4,297	1,883	4,337	1,775	4,287
Greece	173	7	158	7	158	7
Hungary	28	552	28	554	21	587
Ireland	4,265	2,566	4,193	2,511	4,051	2,419
Italy ⁽¹⁾	1,057	543	1,037	546	923	552
Liechtenstein	897	529	864	525	853	499
Luxembourg	10,090	4,638	10,026	4,686	9,805	4,406
Malta	114	574	111	567	91	557
Netherlands	101	1,715	101	1,717	105	1,722
Norway	754	0	738	0	720	0
Poland	320	567	323	549	322	575
Portugal	115	266	118	274	127	281
Romania	74	22	77	23	75	24
Slovakia	67	20	68	19	70	17
Slovenia	100	14	108	14	105	11
Spain	1,737	672	1,723	700	1,656	747
Sweden	525	100	542	99	498	94
Switzerland	929	171	891	169	866	166
Turkey	387	53	379	51	396	51
United Kingdom	2,119	986	2,047	994	1,951	1,072
Total	31,974	28,231	31,567	28,283	30,683	28,144
<small>(1) All quarters include data on closed-ended funds at end 2016.</small>						