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***Trends in the European Investment Fund Industry
in the Fourth Quarter of 2018
&
Results for the Full Year of 2018***

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Highlights

2018 was a difficult year for the European asset management industry. The steep fall in world stock markets at the end of the year resulted, for the first time since 2011, in a decrease in the net assets of UCITS and AIFs, from 15,625 billion at end 2017 to EUR 15,157 billion at end 2018. Such a decline in net assets had not occurred since 2011.

Investors' caution over a growth slowdown, trade tensions, political uncertainty, stock-market volatility and reduced monetary policy stimulus led to a drop in net sales of UCITS to EUR 117 billion from EUR 740 billion in 2017. Net sales of AIFs also slowed down to EUR 128 billion from EUR 208 billion in 2017.

The main developments in 2018 can be summarized as follows:

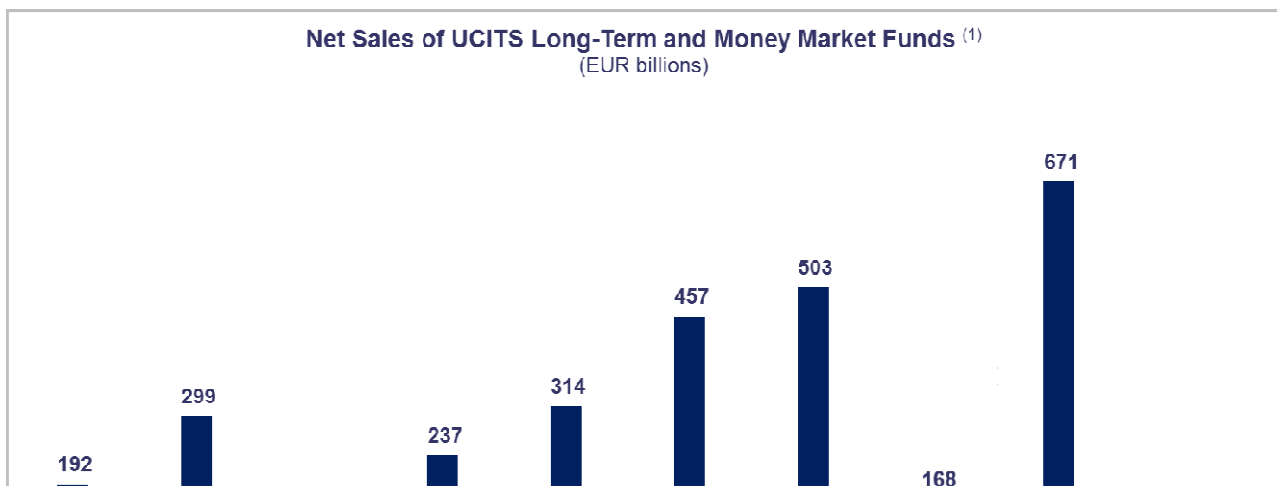
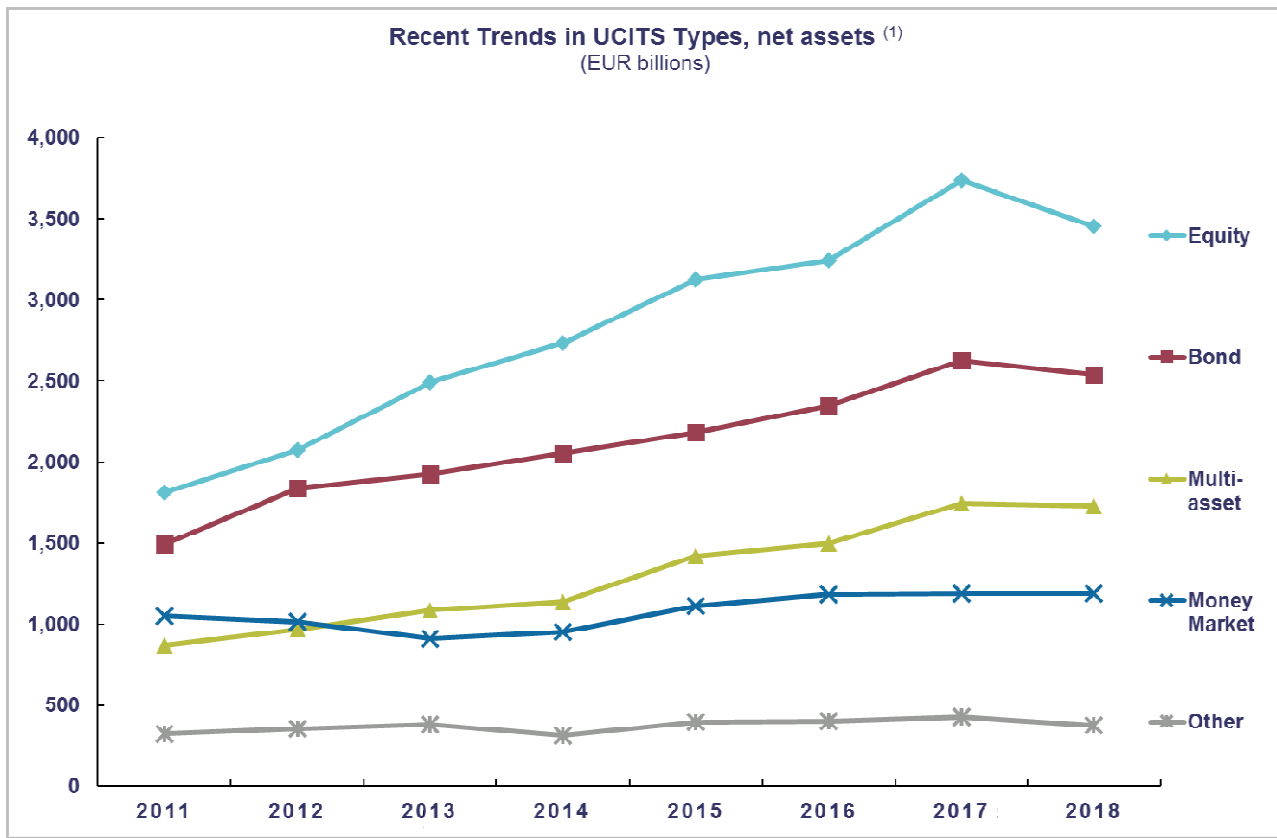
- **Net sales of UCITS and AIFs totaled EUR 245 billion in 2018 (EUR 948 billion in 2017).**
 - **UCITS net sales amounted to EUR 117 billion (EUR 740 billion in 2017).**
 - Long-term UCITS net sales totaled EUR 128 billion (EUR 671 billion in 2017).
 - Money market funds registered net outflows of EUR 11 billion (compared to net inflows of EUR 68 billion in 2017).
 - **AIFs recorded net sales of EUR 128 billion (EUR 208 billion in 2017).**
 - Sales of long-term AIFs totaled EUR 136 billion (EUR 208 billion in 2017).
 - Money market AIFs registered net outflows of EUR 8 billion (compared to net outflows of EUR 3 billion in 2017).
- **Net assets of UCITS and AIFs decreased by 3% in 2018 to EUR 15,157 billion.**

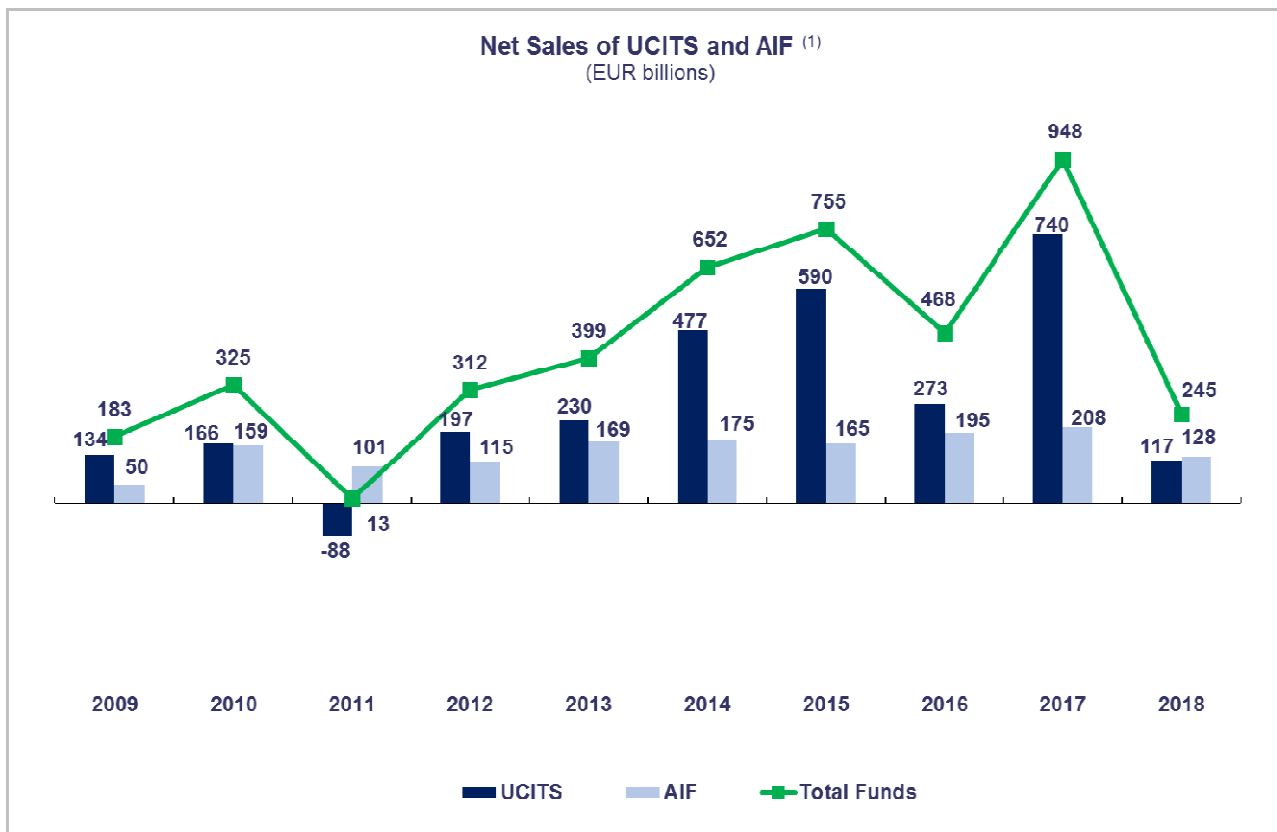
Net Sales by Fund Category and Year ⁽¹⁾							
	Equity	Multi-asset	Bond	Money Market	Other	Long-Term	Total
UCITS							
2018	108	78	-26	-11	-33	128	117
2017	160	176	314	68	22	671	740
AIF							
2018	-10	32	-14	-8	128	136	128
2017	27	42	-14	-3	157	212	208
UCITS & AIF							
2018	98	109	-40	-18	96	264	245
2017	186	219	300	65	178	883	948

(1) Data presented in billions of euro and calculated on basis of quarterly data. Data in 2018 excludes net sales of funds domiciled in Belgium due to unavailability.

Net Assets of European Investment Funds ⁽¹⁾ (EUR billions)

14,188 15,625 15,157





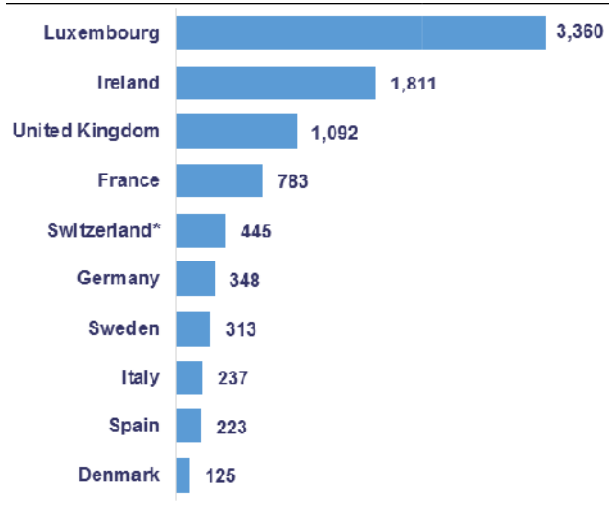
(1) Source: EFAMA database, aggregated quarterly data for 2017 and 2018, annual data for 2009-2016. Data for 2018 excludes data on Belgian net sales due to unavailability.

Top Ten Domiciles in 2018

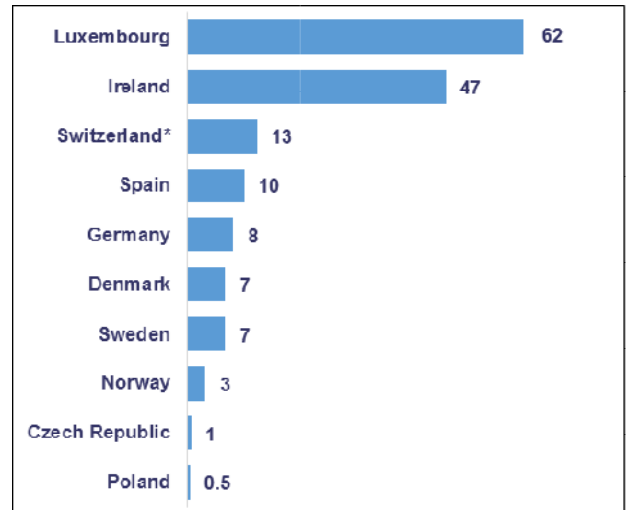
Largest Domiciles in terms of Net Assets and Net Sales

UCITS FUNDS

Net Assets at End 2018
(EUR billion)

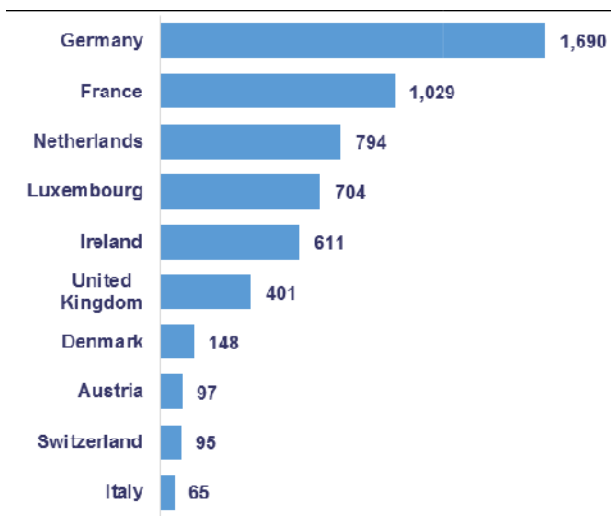


Net Sales in 2018
(EUR billion)

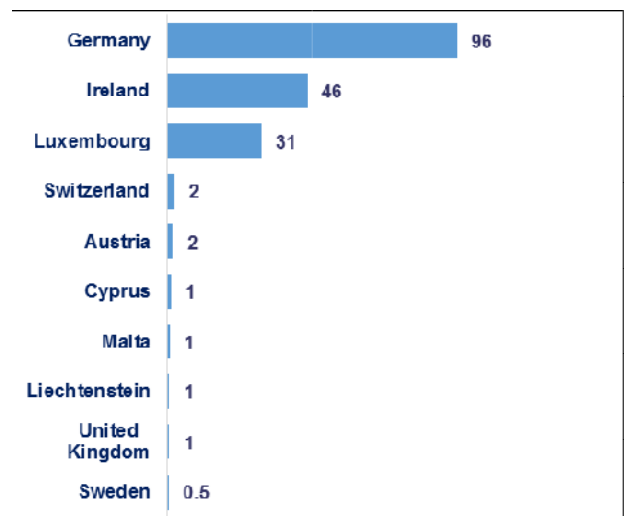


ALTERNATIVE INVESTMENT FUNDS

Net Assets at End 2018
(EUR billion)



Net Sales in 2018
(EUR billion)



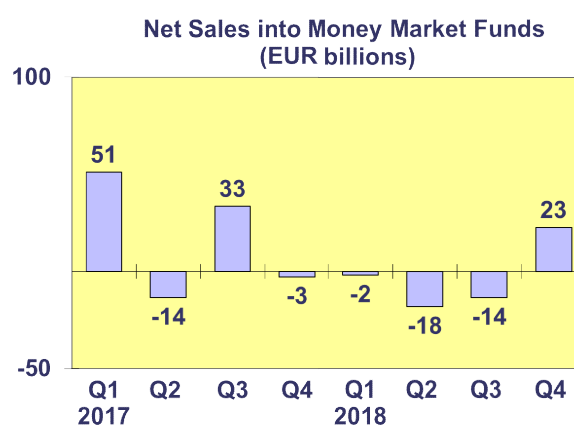
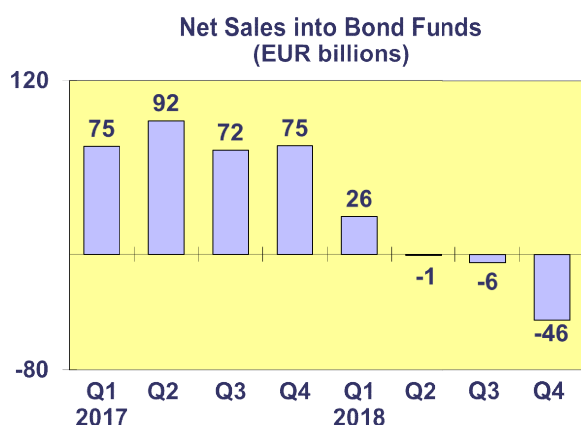
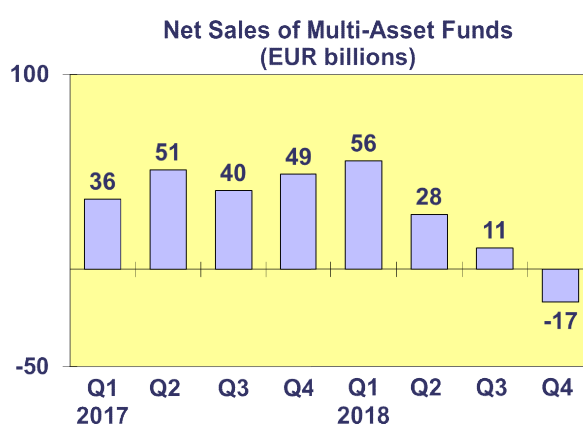
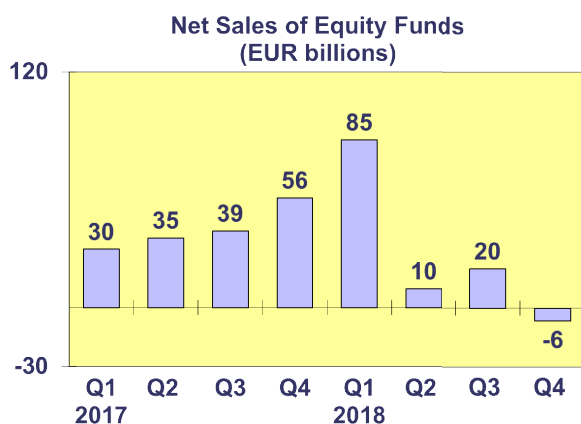
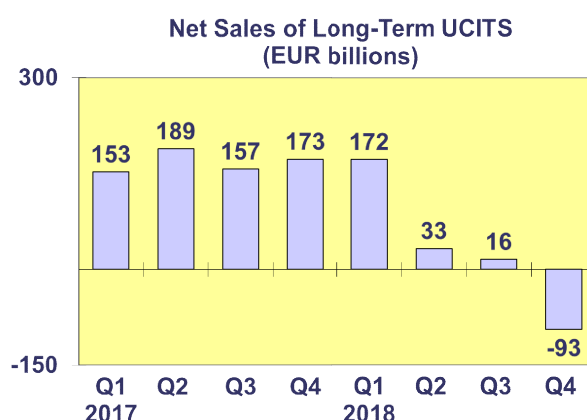
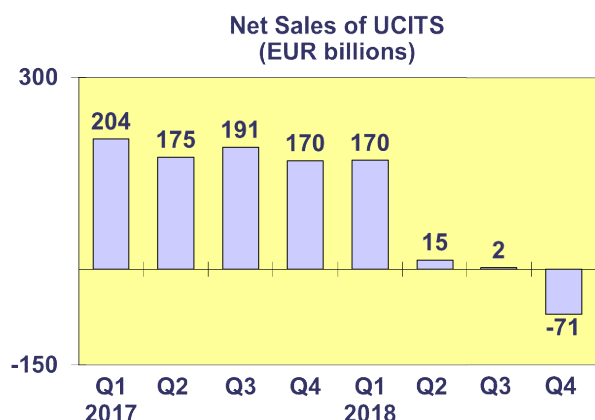
*Funds domiciled in Switzerland that fulfill the UCITS criteria are classified as UCITS.

Trends in the UCITS Market

Net Sales by Investment Type

UCITS recorded net outflows of EUR 71 billion in Q4 2018, compared to net inflows of EUR 2 billion in Q3 2018. In 2018, UCITS attracted net sales of EUR 117 billion, compared to annual net sales of EUR 740 billion in 2017.

Long-term UCITS registered net outflows of EUR 93 billion in Q4 2018, compared to net inflows of EUR 16 billion in Q3 2018. Equity funds recorded net outflows of EUR 6 billion in Q4 2018, compared to net inflows of EUR 20 billion in Q3 2018. Multi-asset funds registered net outflows of EUR 17 billion, compared to net inflows of EUR 11 billion in Q3 2018. Bond funds recorded net outflows of EUR 46 billion in Q4 2018, compared to EUR 6 billion in Q3 2018. Money market funds recorded positive inflows of EUR 23 billion in Q4 2018, the first positive quarterly inflows since Q3 2017.



Trends in the UCITS Market

Net Sales by Country of Domiciliation and Investment Type

Ten countries registered net inflows into UCITS in Q4 2018, with two countries recording net sales above EUR 1 billion.

In Q4 2018, the five domiciles with the largest net sales were Switzerland (EUR 2.2 billion), followed by Sweden (EUR 2.1 billion), Denmark (EUR 0.8 billion), Germany (EUR 0.5 billion) and Liechtenstein (EUR 0.2 billion).

In 2018, four domiciles attracted net sales larger than EUR 10 billion: Luxembourg (EUR 61.6 billion), Ireland (EUR 47.4 billion), Switzerland (EUR 12.7 billion) and Spain (EUR 10.3 billion).

Table 1. Net Sales of UCITS ⁽¹⁾												
Members	Equity Funds		Bond Funds		Multi-Asset Funds		Money Market Funds		Other Funds		Total	
	Q4 2018	2018	Q4 2018	2018	Q4 2018	2018	Q4 2018	2018	Q4 2018	2018	Q4 2018	2018
Austria	-289	-416	-1,451	-3,057	588	2,083	2	-3	-142	-464	-1,292	-1,857
Bulgaria	3	7	0	0	14	45	0	-2	0	1	17	51
Croatia	-24	-46	326	810	5	9	-223	-587	9	32	92	218
Cyprus	0	27	3	0	0	1	0	0	0	0	3	28
Czech Republic	32	220	-37	-379	-79	409	108	295	5	76	30	621
Denmark	1,788	3,904	-1,239	1,354	249	1,651	-1	-3	-6	14	791	6,921
Finland	-381	-1,289	-1,700	-2,325	-185	52	10	-159	-65	-66	-2,321	-3,787
France	-900	7,400	-7,500	4,700	-4,000	-3,200	-11,400	-11,100	-500	-2,400	-24,300	-4,600
Germany	-643	22	-494	-1,826	1,466	10,579	454	348	-251	-764	532	8,358
Greece	-10	6	-22	-36	35	57	-55	-79	0	-22	-52	-74
Hungary	3	7	-21	-86	-3	46	0	0	-53	-119	-74	-153
Ireland	384	36,191	-14,641	-2,676	5,478	15,648	8,487	-3,931	-1,781	2,185	-2,072	47,416
Italy	-521	-99	-160	-3,787	1,128	12,566	282	-658	-3,785	-10,920	-3,056	-2,897
Liechtenstein	44	-187	-65	18	-251	-219	646	822	-128	-130	245	305
Luxembourg	294	60,987	-8,739	-20,904	-22,858	22,108	25,127	3,556	-8,321	-4,167	-14,497	61,580
Malta	18	34	-33	22	1	4	-1	-13	-10	22	-26	69
Netherlands	355	479	-333	-2,791	180	170	0	0	-4	-2	198	-2,144
Norw ay	573	938	-931	1,861	-115	-54	159	571	-74	7	-387	3,323
Poland	-53	-284	7	-46	-56	-141	-54	1,079	-7	-115	-164	493
Portugal	77	138	-165	-140	112	433	32	24	-138	-598	-82	-143
Romania	-2	2	-84	-498	-4	23	7	20	-98	-298	-181	-752
Slovakia	14	43	-73	-224	44	322	0	-13	0	0	-16	129
Slovenia	-40	-43	9	-9	-2	17	14	25	0	0	-19	-9
Spain	584	13,900	-929	-2,462	-2,044	1,262	175	-348	-1,462	-2,005	-3,676	10,347
Sweden	-502	877	611	1,699	464	1,341	1,560	3,073	-14	-120	2,118	6,871
Sw itzerland	2,017	1,873	121	8,394	1,177	4,502	-1,089	-2,030	0	0	2,225	12,739
Turkey	-21	65	-277	-1,344	-120	-359	-60	-523	91	177	-387	-1,985
United Kingdom	-9,262	-16,554	-7,860	-2,179	1,883	8,551	-1,442	-1,129	-7,498	-12,844	-24,180	-24,156
Total	-6,463	108,201	-45,677	-25,914	-16,895	77,906	22,737	-10,764	-24,230	-32,520	-70,530	116,910
(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 2.8 billion in Q4 2018, down from EUR 11.9 billion in Q3 2018. UCITS ETF attracted net sales of EUR 18.1 billion in 2018.

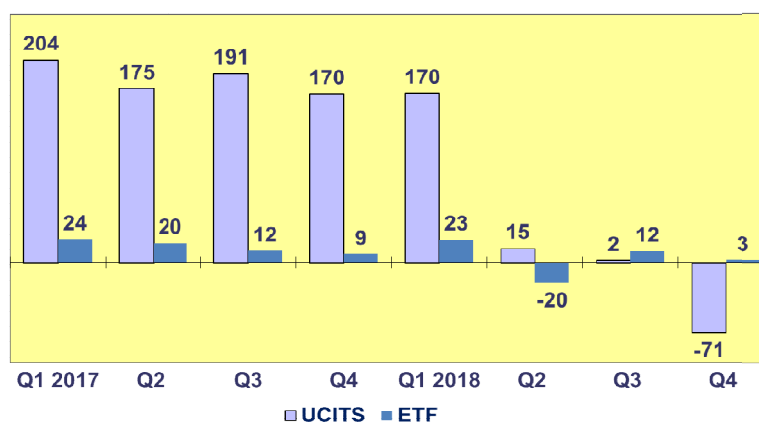
UCITS ETF domiciled in Ireland registered the largest net sales during the quarter (EUR 5.8 billion), whereas France recorded the largest net outflow (EUR 5.4 billion).

Looking at total net sales in 2018, Ireland and Luxembourg attracted the largest net inflows, EUR 31.2 billion and EUR 30.3 billion, respectively. France experienced net outflows amounting to EUR 43 billion.

	Net Assets	Net Sales			
	End Q4 2018	Q4 2018		2018	
	ETF	UCITS	UCITS ETF ⁽²⁾	UCITS	UCITS ETF ⁽²⁾
Belgium	1,349	n.a.	n.a.	n.a.	n.a.
Bulgaria	15	17	0	51	1
Finland	230	-2,321	1	-3,787	-19
France	38,616	-24,300	-5,407	-4,600	-43,023
Germany	46,768	532	296	8,358	-1,060
Greece	10	-52		-74	1
Ireland	365,034	-2,072	5,833	47,416	31,206
Luxembourg	163,393	-14,497	1,995	61,580	30,335
Netherlands	1,671	198	256.0	-2,144	403
Romania	1	-181	0	-752	0
Spain	286	-3,676	-7	10,347	-20
Sweden	2,803	2,118	-119	6,871	140
Switzerland	3,730	2,225	-70	12,739	119
Turkey	30	-387	2	-1,985	1
Total	623,936	-42,396	2,781	134,020	18,084

(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.

**Net Sales of UCITS and UCITS ETFs
(EUR billions)**



Trends in the UCITS Market

Net Assets and Number of Funds by Investment Type

Net assets of UCITS by 6.9% in Q4 2018 to EUR 9,284 billion. UCITS net assets decreased by 4.6 percent in 2018.

Of the major fund categories, only money market funds recorded an increase in net assets in Q4 2018 (1.9%). The other types of funds registered decreases in net assets. Equity funds recorded the largest decrease in net assets (11.9%), followed by guaranteed/protected funds (11.5%), other UCITS funds (10.1%), multi-asset funds (6.5%) and bond funds (3.1%).

In 2018, almost all fund categories, experienced a decrease in net assets. The largest drop was registered for guaranteed/protected funds (36.9%), followed by other UCITS funds (11.6%), equity (7.6%), bond (3.4%) and multi-asset funds (1.1%). Money market funds was the only major fund category for which net assets edged up slightly (0.002%). Net assets of ETFs increased by 1.7% in 2018.

The number of UCITS funds increased from 32,026 at end Q4 2017 to 33,359 at end Q4 2018.

Table 3. Breakdown of UCITS Assets by Category

UCITS types	End Q4 2018		Change from end Q3 2018		Change from end Q4 2017	
	EUR bn	Share	in % ⁽¹⁾	in EUR bn	in % ⁽²⁾	in EUR bn
Equity	3,455	37%	-11.9%	-467	-7.6%	-285
Multi-Asset	1,728	19%	-6.5%	-119	-1.1%	-19
Bond	2,536	27%	-3.1%	-80	-3.4%	-90
Money Market	1,190	13%	1.9%	22	0.002%	0.02
Guaranteed / protected	7	0.1%	-11.5%	-0.9	-36.9%	-4
Other	368	4%	-10.1%	-42	-11.6%	-49
Total	9,284	100%	-6.9%	-687	-4.6%	-446
of which:						
Exchange-traded funds	624	7%	-8.4%	-57	1.7%	10

(1) End Q4 2018 net assets compared to end Q3 2018 net assets; (2) End Q4 2018 net assets compared to end Q4 2017 net assets.

Table 4. Breakdown of UCITS Number of Funds by Category

UCITS types	End Q4 2018		Change from end Q3 2018		Change from end Q4 2017	
	No.	Share	in % ⁽¹⁾	No.	in % ⁽²⁾	No.
Equity	13,095	39%	1.3%	164	5.1%	633
Multi-Asset	8,786	26%	1.9%	161	6.3%	518
Bond	7,578	23%	0.9%	69	2.7%	198
Money Market	747	2%	-3.4%	-26	-5.0%	-39
Guaranteed / protected	258	1%	-3.4%	-9	-18.1%	-57
Other	2,895	9%	0.8%	22	2.8%	80
Total	33,359	100%	1.2%	381	4.2%	1,333
of which:						
Exchange-traded funds	1,629	5%	0.5%	8	7.8%	118

(1) End Q4 2018 compared to end Q3 2018; (2) End Q4 2018 compared to end Q4 2017.

Net a

Three countries did record positive asset growth in Q4 2018. Turkey recorded the largest growth (11.4%), followed by Bulgaria (1.8%) and Portugal (0.7%).

Among the large UCITS domiciles, the UK recorded the largest net asset decrease in Q4 2018 (11.6%), followed by France (8.5%), Luxembourg (6.0%), and Ireland (5.1%). In Western Europe, large decreases were recorded in Germany (9%) and the Netherlands (8.6%). The Nordic countries all experienced a net asset decrease during the quarter. Apart from Portugal, all domiciles in the Southern European region also recorded a drop in net assets.

In 2018, 5 countries registered an increase in net UCITS assets: Cyprus (18.6%), Bulgaria (10.4%), Croatia (3.7%), Belgium (3.6%) and Sweden (0.1%). The UK recorded the largest net asset decrease amongst the major UCITS domiciles in 2018 (10.9%), followed by France (10.3%) and Luxembourg (3.6%).

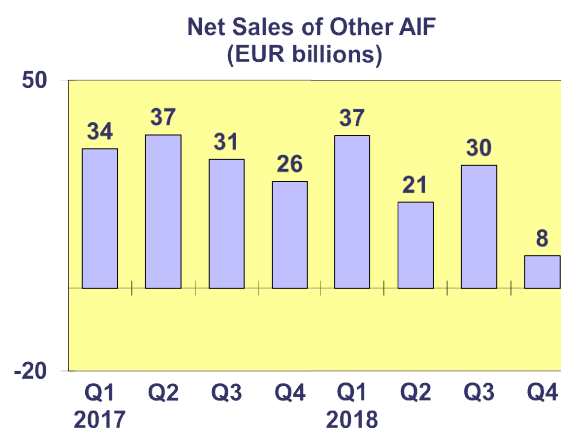
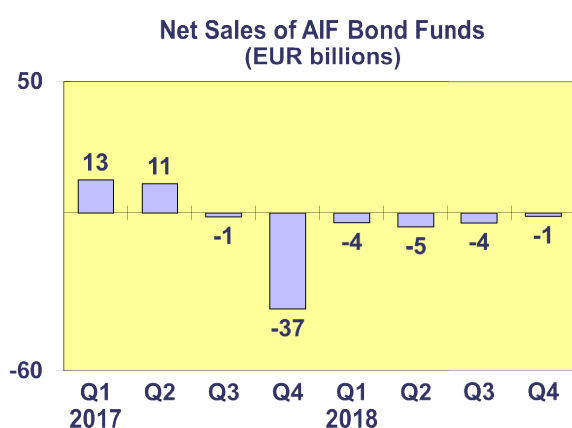
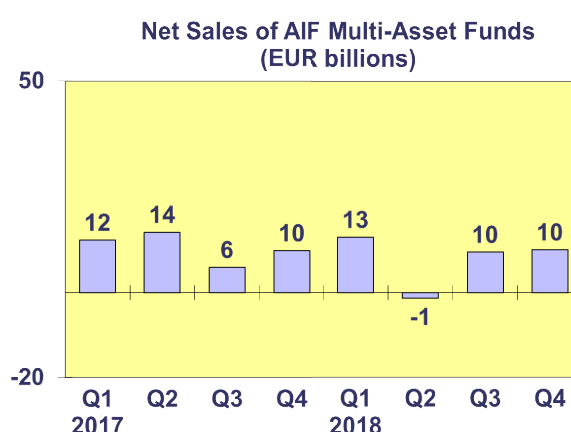
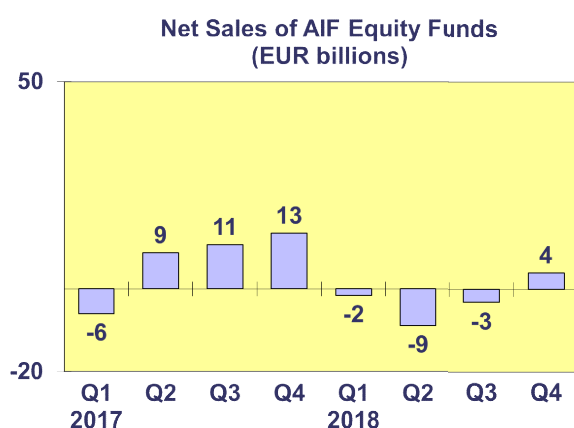
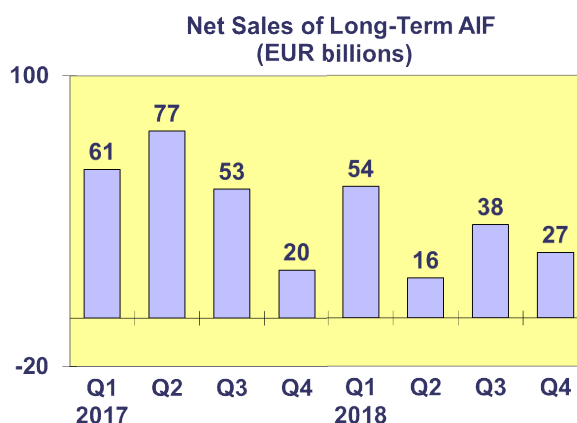
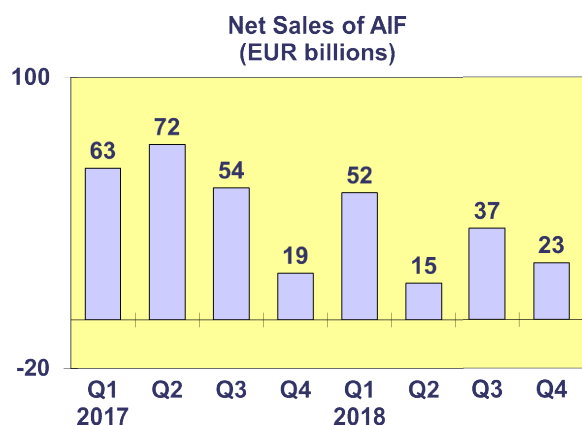
Table 5. Net Assets of the European UCITS Industry						
Members	End Q4 2018		End Q3 2018		End Q4 2017	
	EUR mn	Share	EUR mn	% chg ⁽¹⁾	EUR mn	% chg ⁽²⁾
Austria	75,639	0.8%	80,744	-6.3%	82,228	-8.0%
Belgium ⁽³⁾	124,752	1.3%	133,885	-6.8%	120,462	3.6%
Bulgaria	713	<0.1%	700	1.8%	645	10.4%
Croatia	2,579	<0.1%	2,604	-0.9%	2,487	3.7%
Cyprus	198	<0.1%	212	-6.6%	167	18.6%
Czech Republic	10,593	0.1%	11,081	-4.4%	10,746	-1.4%
Denmark	124,882	1.3%	131,205	-4.8%	129,153	-3.3%
Finland	97,005	1.0%	102,273	-5.2%	102,932	-5.8%
France	783,481	8.4%	856,200	-8.5%	873,868	-10.3%
Germany	347,604	3.7%	382,041	-9.0%	371,779	-6.5%
Greece	4,553	<0.1%	4,800	-5.2%	4,928	-7.6%
Hungary	1,330	<0.1%	1,418	-6.2%	1,579	-15.8%
Ireland	1,810,825	19.5%	1,908,300	-5.1%	1,830,519	-1.1%
Italy	237,233	2.6%	250,365	-5.2%	255,784	-7.3%
Liechtenstein	26,792	0.3%	28,745	-6.8%	28,132	-4.8%
Luxembourg	3,360,468	36.2%	3,574,040	-6.0%	3,486,445	-3.6%
Malta	2,654	<0.1%	2,834	-6.4%	2,714	-2.2%
Netherlands	33,779	0.4%	36,964	-8.6%	37,153	-9.1%
Norway	113,482	1.2%	126,376	-10.2%	115,682	-1.9%
Poland	25,452	0.3%	26,511	-4.0%	25,847	-1.5%
Portugal	8,818	0.1%	8,753	0.7%	8,827	-0.1%
Romania	4,162	<0.1%	4,351	-4.3%	4,874	-14.6%
Slovakia	4,896	0.1%	5,087	-3.8%	4,926	-0.6%
Slovenia	2,469	<0.1%	2,726	-9.4%	2,657	-7.1%
Spain	222,837	2.4%	238,046	-6.4%	225,419	-1.1%
Sweden	312,874	3.4%	335,164	-6.7%	312,505	0.1%
Switzerland	444,780	4.8%	473,000	-6.0%	451,486	-1.5%
Turkey	7,355	0.1%	6,603	11.4%	10,994	-33.1%
United Kingdom	1,092,186	11.8%	1,236,010	-11.6%	1,225,854	-10.9%
All Funds	9,284,391	100%	9,971,038	-6.9%	9,730,792	-4.6%
(1) End Q4 2018 net assets compared to end Q3 2018 net assets; (2) End Q4 2018 net assets compared to end Q4 2017 net assets; (3) Belgian data for Q4 2018 and Q3 2018 is estimated.						

Trends in the AIF Market

Net Sales by Investment Type

AIFs recorded net sales of EUR 23 billion in Q4 2018. Over the course of 2018, AIFs attracted net sales of EUR 128 billion.

Long-term AIFs recorded net sales of EUR 27 billion in Q4 2018, down from EUR 38 billion in Q3 2018. Equity funds registered net inflows of EUR 4 billion in Q4 2018, compared to net outflows of EUR 3 billion in Q3 2018. In the fourth quarter of 2018, multi-asset funds recorded the same level of net sales as in Q3 2018 (EUR 10 billion). Bond funds continued to suffer from net outflows, EUR 1 billion compared to EUR 4 billion in Q3 2018. Net sales of other funds decreased from EUR 30 billion in Q3 2018 to EUR 8 billion in Q4 2018.



Trends in the AIF Market

Net Sales by Country of Domiciliation and Investment Type

Fourteen domiciles experienced net inflows into AIFs in Q4 2018, with four countries recording net sales higher than EUR 1 billion.

In Q4 2018, net sales above EUR 1 billion were registered in Germany (EUR 32.3 billion), Luxembourg (EUR 4.2 billion), France (1.6 billion) and the United Kingdom (EUR 1 billion).

In 2018, three countries attracted net sales greater than EUR 10 billion: Germany (EUR 95.6 billion), Ireland (EUR 46.3 billion) and Luxembourg (EUR 30.8 billion).

The largest net outflows in 2018 were registered in the Netherlands (EUR 18.3 billion) and Denmark (EUR 18.1 billion), followed by France (EUR 13 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 2018	2018	Q4 2018	2018	Q4 2018	2018	Q4 2018	2018	Q4 2018	2018	Q4 2018	2018	Q4 2018	2018
Austria	-110	387	-94	214	26	616	0	0	239	766	-35	-169	25	1,815
Cyprus	1	4	0	-3	-1	82	0	0	-4	997	90	236	86	1,316
Czech Republic	0	0	0	0	0	0	0	0	81	209	0	0	81	209
Denmark	-1,468	-6,596	-2,717	-11,223	-264	-591	0	-7	0	273	366	59	-4,083	-18,085
Finland	-44	-570	-78	-284	-94.5	13	15	1	0	-8.2	143	739	-58	-110
France	2,200	2,300	-300	-2,400	400	-7,200	-1,800	-5,500	0	0	1,100	-200	1,600	-13,000
Germany	2,773	5,155	6,135	11,007	12,285	38,308	0.5	1	5,074	15,519	6,048	25,620	32,315	95,611
Hungary	2	58	-210	-657	-120	58	-123	-80	453	1,306	-248	-227	-247	459
Ireland ⁽²⁾	0	0	0	0	0	0	-1,296	-928	36	760	-2,246	46,506	-3,506	46,338
Italy ⁽³⁾	0	0	0	0	0	0	0	0	0	0	-69	-193	-69	-193
Liechtenstein	-14	-152	-39	-114	44	448	0	0	49	90	47	375	87	646
Luxembourg	3,410	827	-2,744	-2,277	-2,981	3,388	-314	-1,290	1,858	12,926	4,976	17,263	4,205	30,837
Malta	94	343	-15	-25	-16	-10	0	0	48	81	-10	587	100	978
Netherlands	-3,453	-13,258	-741	-5,327	120	-407	0	0	254	1,220	-3,232	-498	-7,052	-18,270
Poland	-36	-155	-238	-201	13	61	12	366	-4	-3	-602	-1,155	-855	-1,087
Portugal	-1.6	-1.8	17	20	0	-4	-31	-99	0	0	-84	-372	-100	-457
Romania	0	-1	0	0	0.0	0.2	0	0	0	0	36	75	35.9	74
Slovakia	0	0	6	-4	3	20	0	-46	38	121	0	0	47	92
Spain	-548	256	150	-2,588	-5	-58	0	0	0	0	498	156	95	-2,234
Sweden	-5	16	-202	-222	-87	-11	10	-14	0	0	-353	718	-637	487
Switzerland	0	0	0	0	0	0	0	0	-503	232	795	1,930	292	2,162
Turkey	0	0	0	0	0	0	0	0	7	19	7	7	14	26
United Kingdom	1,144	1,484	-269	-63	779	-3,192	0	-9	-1,110	-956	466	3,381	1,009	644
Total	3,943	-9,903	-1,340	-14,146	10,101	31,522	-3,526	-7,603	6,515	33,551	7,692	94,837	23,384	128,257
(1) Data presented in millions of euro; (2) Data for equity, bond and multi-asset AIFs domiciled in Ireland are included in the "Other AIF" category due to the unavailability of breakdown; (3) Excludes net sales of closed-ended funds due to unavailability of data.														

Trends in the AIF Market

Net Assets and Number of Funds by Investment Type

Net assets of AIFs declined by 3.1% in Q4 2018, a drop of 3.1% compared to the previous quarter. Net assets of AIFs decreased by 0.4% in 2018.

Two fund categories recorded a net asset growth in Q4 2018: real estate funds (2%) and guaranteed/protected funds (1%). Decreases in net assets were recorded for equity funds (10%), money market funds (4.5%), multi-asset funds (3.7%), other funds (3%) and bond funds (0.6%).

In 2018, real estate funds registered the largest increase in net assets (10.1%), followed by other funds (3.8%). Money market funds saw the largest net asset decrease (9.3%), followed by equity funds (7.6%), guaranteed/protected funds (7.4%) multi-asset funds (3.9%) and bond funds (3.3%).

The number of Alternative Investment Funds increased from 28,353 at end Q4 2017 to 28,635 at end Q4 2018.

Table 7. Breakdown of AIF Assets by Category						
Type of fund	End Q4 2018		Change since end Q3 2018		Change since end Q4 2017	
	EUR bn	Share	in % ⁽¹⁾	in EUR bn	in % ⁽²⁾	in EUR bn
Equity	703	12%	-10.0%	-78	-7.6%	-58
Multi-Asset	1,407	24%	-3.7%	-54	-3.9%	-56
Bond	967	16%	-0.6%	-6	-3.3%	-33
Money Market	74	1%	-4.5%	-3	-9.3%	-8
Guaranteed / protected	41	1%	1.0%	0	-7.4%	-3
Real Estate	696	12%	2.0%	14	10.1%	64
Other ⁽³⁾	1,985	34%	-3.0%	-61	3.8%	73
Total	5,873	100%	-3.1%	-189	-0.4%	-21
<i>of which:</i>						
Exchange-traded funds	10	0.2%	8.0%	0.7	0.9%	0
Institutional	2,959	50%	-1.5%	-46	2.8%	82

(1) End Q4 2018 net assets compared to end Q3 2018 net assets; (2) End Q4 2018 net assets compared to end Q4 2017 net assets; (3) Data for equity, bond and multi-asset AIFs domiciled in Ireland are included in the "Other AIF" category due to the unavailability of breakdown.

Table 8. Breakdown of AIF Number of Funds by Category						
Type of fund	End Q4 2018		Change since end Q3 2018		Change since end Q4 2017	
	No.	Share	in % ⁽¹⁾	in No.	in % ⁽²⁾	in No.
Equity	2,364	8%	-0.6%	-14	-1.3%	-31
Multi-Asset	7,144	25%	-0.6%	-41	-2.7%	-195
Bond	2,635	9%	-0.8%	-21	-4.3%	-117
Money Market	160	1%	-20.0%	-40	-29.2%	-66
Guaranteed / protected	696	2%	-0.7%	-5	-16.2%	-135
Real Estate	3,117	11%	0.7%	22	3.2%	96
Other ⁽³⁾	12,519	44%	1.5%	187	6.2%	730
Total	28,635	100%	0.3%	88	1.0%	282
<i>of which:</i>						
Exchange-traded funds	25	0.1%	0.0%	0	0.0%	0
Institutional	12,588	44%	0.6%	80	3.4%	413

(1) End Q4 2018 compared to end Q3 2018; (2) End Q4 2018 compared to end Q4 2017; (3) Data for equity, bond and multi-asset AIFs domiciled in Ireland are included in the "Other AIF" category due to the unavailability of breakdown.

Trends in the AIF Market

Net Sales and Assets of Institutional AIFs

Net assets of institutional AIFs, which are AIFs reserved for institutional investors, decreased by 1.5% to EUR 2,959 billion at end Q4 2018.

In Q4 2018, institutional funds recorded an increase in real estate funds (3%), other funds and money market funds increased by 0.8% and 0.4%, respectively. Equity, multi-asset and bond funds experienced a decrease in net assets (6.5%, 2.7% and 0.3% respectively).

In 2018, the largest increase in net assets was recorded for real estate funds (16.1%), followed by other funds (11.5%). Decreases were registered for equity funds (7%), followed by money market funds (4.5%), bond funds (1.5%) and multi-asset fund (0.6%).

Institutional AIFs attracted net sales of EUR 31.1 billion in Q4 2018. For the year as a whole, total net sales reached EUR 149.6 billion.

Table 9. Breakdown of Institutional AIF Assets by Category						
Institutional AIF types	End Q4 2018		Change since end Q3 2018		Change since end Q4 2017	
	EUR bn	Share	in % ⁽¹⁾	in EUR bn	in % ⁽²⁾	in EUR bn
Equity	224	9%	-6.5%	-16	-7.0%	-17
Multi-Asset	1,009	42%	-2.7%	-28	-0.6%	-6
Bond	561	23%	-0.3%	-2	-1.5%	-9
Money Market	10	0.4%	0.4%	0	-4.5%	-0.5
Real Estate	217	9%	3.0%	6	16.1%	30
Other	404	17%	0.8%	3	11.5%	42
Total (ex. Ireland)	2,424	100%	-1.5%	-36	1.7%	40
Total (inc. Ireland)	2,959		-1.5%	-46	2.8%	82

(1) End Q4 2018 net assets compared to end Q3 2018 net assets; (2) End Q4 2018 net assets compared to end Q4 2017 net assets.

Table 10. Breakdown of Institutional AIF Net Sales Assets by Category				
Institutional AIF types	Q4 2018 EUR m	Q3 2018 EUR m	Q2 2018 EUR m	Q1 2018 EUR m
Equity	4,733	-3,096	-3,066	1,167
Multi-Asset	11,333	9,469	5,556	15,758
Bond	2,716	-6,358	2,600	3,390
Money Market	123	24	-74	-378
Real Estate	4,558	4,568	8,357	4,739
Other	10,588	15,090	7,003	10,189
Total (ex. Ireland)	34,050	19,697	20,376	34,865
Total (inc. Ireland)	31,132	32,593	28,393	57,507

Trends in the AIF Market

Net Assets by Country of Domiciliation

Net assets of AIFs declined in the vast majority of countries in Q4 2018, as well as over the course of the whole year 2018.

In Q4 2018, only three countries recorded an increase in net assets compared to the previous quarter: Turkey (18.7%), the Czech Republic (9.1%) and Slovakia (3.2%). The five largest domiciles all recorded net asset decreases, with a significant decrease of 6.9% in the UK, followed by France (2.9%), Ireland (2.7%), Germany (1.4%) and Luxembourg (0.2%). Elsewhere in Europe, net assets decreased strongly in Sweden (10.8%) and Poland (9.6%).

Eight countries recorded positive asset growth in 2018. Among the largest AIF domiciles, the largest net asset growth was seen in Ireland (8%), followed by Luxembourg (4.6%) and Germany (1.4%). Elsewhere in Europe, strong asset growth was registered in Cyprus (48.3%), the Czech Republic (31.7%) and Malta (11.4%).

Table 11. Net Assets of the European AIF Industry

Members	End Q4 2018		End Q3 2018		End Q4 2017	
	EUR mn	Share	EUR mn	% chg ⁽¹⁾	EUR mn	% chg ⁽²⁾
Austria	97,256	1.7%	101,158	-3.9%	100,654	-3.4%
Belgium ⁽³⁾	22,837	0.4%	24,509	-6.8%	34,793	-34.4%
Bulgaria	9	<0.1%	9	-0.6%	9	-1.9%
Croatia	499	<0.1%	518	-3.6%	480	4.1%
Cyprus	3,827	0.1%	3,896	-1.8%	2,581	48.3%
Czech Republic	1,222	<0.1%	1,120	9.1%	928	31.7%
Denmark	148,316	2.5%	161,984	-8.4%	171,671	-13.6%
Finland	13,044	0.2%	13,588	-4.0%	13,323	-2.1%
France	1,029,250	17.5%	1,059,567	-2.9%	1,055,247	-2.5%
Germany	1,689,591	28.8%	1,714,312	-1.4%	1,666,413	1.4%
Greece	3,077	0.1%	3,078	0.0%	2,906	5.9%
Hungary	17,870	0.3%	18,018	-0.8%	18,189	-1.8%
Ireland	610,632	10.4%	627,319	-2.7%	565,569	8.0%
Italy ⁽⁴⁾	65,257	1.1%	65,484	-0.3%	66,341	-1.6%
Liechtenstein	17,532	0.3%	18,324	-4.3%	18,263	-4.0%
Luxembourg	704,176	12.0%	705,722	-0.2%	673,169	4.6%
Malta	9,013	0.2%	9,050	-0.4%	8,089	11.4%
Netherlands	793,761	13.5%	844,563	-6.0%	806,335	-1.6%
Poland	34,222	0.6%	37,845	-9.6%	40,939	-16.4%
Portugal	13,042	0.2%	13,917	-6.3%	14,252	-8.5%
Romania	4,197	0.1%	4,320	-2.9%	4,289	-2.2%
Slovakia	1,709	<0.1%	1,656	3.2%	1,652	3.4%
Spain	63,405	1.1%	66,030	-4.0%	69,846	-9.2%
Sweden	20,162	0.3%	22,598	-10.8%	22,916	-12.0%
Switzerland	94,930	1.6%	101,449	-6.4%	99,313	-4.4%
Turkey	13,179	0.2%	11,107	18.7%	14,656	-10.1%
United Kingdom	400,649	6.8%	430,333	-6.9%	421,322	-4.9%
All Funds	5,872,664	100.0%	6,061,473	-3.1%	5,894,144	-0.4%

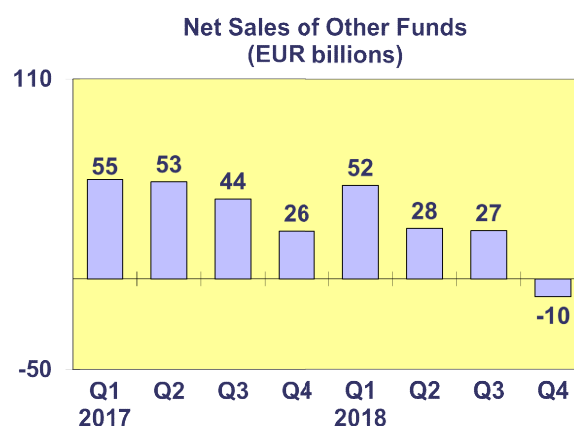
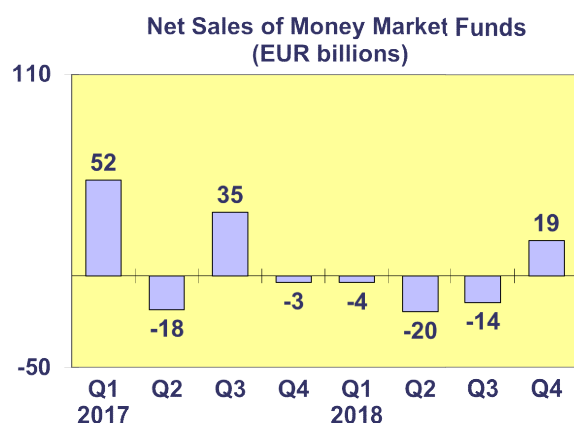
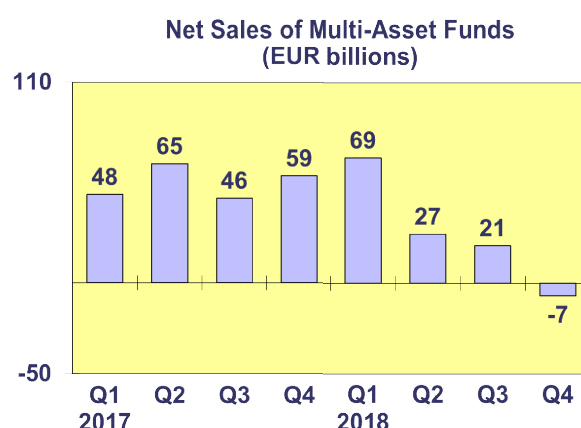
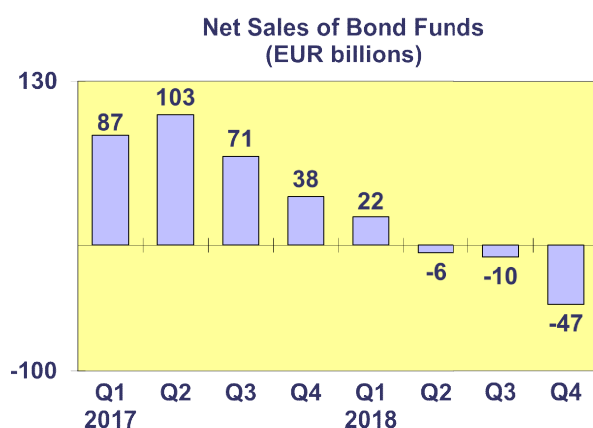
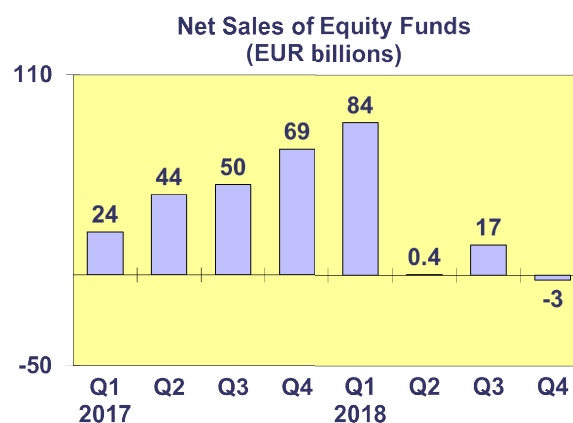
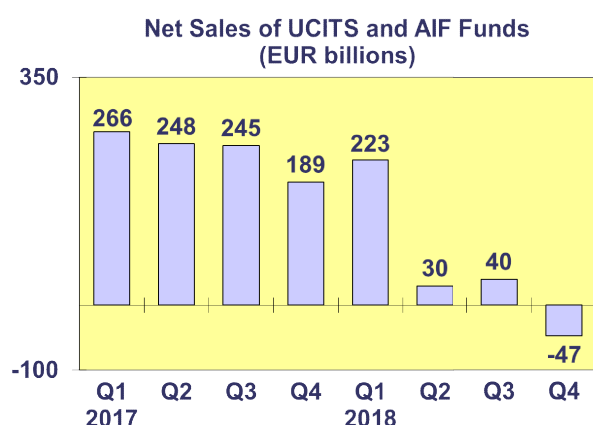
(1) End Q4 2018 net assets compared to end Q3 2018 net assets; (2) End Q4 2018 net assets compared to end Q4 2017 net assets; (3) Belgian data for Q4 2018 and Q3 2018 is estimated; (4) All quarters include net assets of closed-ended funds at end 2017.

Trends in the European Investment Fund Industry

Net Sales by Investment Type

UCITS and AIFs, recorded net outflows of EUR 47 billion during Q4 2018, compared to net inflows of EUR 40 billion in Q3 2018. Over the course of 2018, these funds attracted net sales of EUR 245 billion, compared to EUR 948 billion in 2017.

In Q4 2018, equity funds recorded net outflows of EUR 3 billion, compared to net inflows of EUR 17 billion in the previous quarter. Bond funds suffered from large net outflows (EUR 47 billion, compared to EUR 10 billion in Q3 2018). Multi-asset funds experienced net outflows of EUR 7 billion, compared to net inflows of EUR 21 billion in Q3 2018. Money market funds attracted net inflows of EUR 19 billion, compared to net outflows of EUR 14 billion in Q3 2018. 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) registered outflows of EUR 10 billion, compared to net inflows of EUR 27 billion in Q3 2018.



Trends in the European Investment Fund Industry

Net Assets by Country of Domiciliation

Total net assets of UCITS and AIFs decreased by 5.5% in Q4 2018 and by 3% in 2018.

With EUR 9,284 billion invested in UCITS, this segment accounted for 61.3% of total European investment fund assets at end Q4 2018. The remaining 38.7% of the total (equivalent to EUR 5,873 billion) came from AIFs.

Table 12. Net Assets of the European Investment Fund Industry						
Members	End Q4 2018		End Q3 2018		End Q4 2017	
	EUR mn	Share	EUR mn	% chg ⁽¹⁾	EUR mn	% chg ⁽²⁾
Austria	172,895	1.1%	181,902	-5.0%	182,882	-5.5%
Belgium ⁽³⁾	147,588	1.0%	158,394	-6.8%	155,255	-4.9%
Bulgaria	721	<0.1%	709	1.7%	654	10.3%
Croatia	3,078	<0.1%	3,122	-1.4%	2,966	3.8%
Cyprus	4,025	<0.1%	4,108	-2.0%	2,748	46.5%
Czech Republic	11,816	0.1%	12,201	-3.2%	11,674	1.2%
Denmark	273,197	1.8%	293,188	-6.8%	300,824	-9.2%
Finland	110,050	0.7%	115,861	-5.0%	116,254	-5.3%
France	1,812,731	12.0%	1,915,767	-5.4%	1,929,115	-6.0%
Germany	2,037,195	13.4%	2,096,352	-2.8%	2,038,192	0.0%
Greece	7,629	<0.1%	7,877	-3.2%	7,834	-2.6%
Hungary	19,200	0.1%	19,436	-1.2%	19,768	-2.9%
Ireland	2,421,457	16.0%	2,535,619	-4.5%	2,396,089	1.1%
Italy ⁽⁴⁾	302,489	2.0%	315,848	-4.2%	322,125	-6.1%
Liechtenstein	44,324	0.3%	47,068	-5.8%	46,396	-4.5%
Luxembourg	4,064,644	26.8%	4,279,762	-5.0%	4,159,614	-2.3%
Malta	11,666	0.1%	11,884	-1.8%	10,804	8.0%
Netherlands	827,540	5.5%	881,527	-6.1%	843,488	-1.9%
Norway	113,482	0.7%	126,376	-10.2%	115,682	-1.9%
Poland	59,674	0.4%	64,356	-7.3%	66,786	-10.6%
Portugal	21,860	0.1%	22,670	-3.6%	23,080	-5.3%
Romania	8,359	0.1%	8,672	-3.6%	9,164	-8.8%
Slovakia	6,605	<0.1%	6,743	-2.1%	6,578	0.4%
Slovenia	2,589	<0.1%	2,726	-5.0%	2,657	-2.6%
Spain	286,242	1.9%	304,076	-5.9%	295,265	-3.1%
Sweden	333,037	2.2%	357,762	-6.9%	335,421	-0.7%
Switzerland	539,710	3.6%	574,450	-6.0%	550,799	-2.0%
Turkey	20,535	0.1%	17,709	16.0%	25,649	-19.9%
United Kingdom	1,492,836	9.8%	1,666,343	-10.4%	1,647,175	-9.4%
All Funds	15,157,175	100.0%	16,032,511	-5.5%	15,624,937	-3.0%
UCITS	9,284,391	61.3%	9,971,038	-6.9%	9,730,792	-4.6%
AIFs	5,872,785	38.7%	6,061,473	-3.1%	5,894,144	-0.4%

(1) End Q4 2018 net assets compared to end Q3 2018 net assets; (2) End Q4 2018 net assets compared to end Q4 2017 net assets; (3) Belgian data for Q4 2018 and Q3 2018 is estimated; (4) All quarters include net assets of closed-ended funds at end 2017.

Trends in the European Investment Fund Industry

Number of Funds by Country of Domiciliation

The total number of UCITS and AIFs increased 0.8% in Q4 2018 to end the year at 61,994 funds.

At the end of 2018, UCITS accounted for 33,359 funds or 53.8% of the number of funds in the European market. AIFs accounted for 28,635 funds, or 46.2% of the total number of European funds.

Table 13. Number of funds in the European Investment Fund Industry						
Members	End Q4 2018		End Q3 2018		End Q4 2017	
	UCITS	AIF	UCITS	AIF	UCITS	AIF
Austria	974	1,045	969	1,052	983	1,040
Belgium ⁽¹⁾	707	256	707	256	702	368
Bulgaria	124	2	122	2	117	2
Croatia	96	36	93	37	94	39
Cyprus	28	268	27	271	24	223
Czech Republic	170	4	167	4	158	4
Denmark	666	354	647	384	630	383
Finland	392	102	376	104	365	105
France	3,098	7,758	3,145	7,742	3,163	7,697
Germany	2,172	4,364	2,125	4,348	1,933	4,297
Greece	207	5	202	6	173	7
Hungary	28	543	28	549	28	552
Ireland	4,508	2,777	4,420	2,726	4,265	2,566
Italy ⁽²⁾	1,095	719	1,090	720	1,057	743
Liechtenstein	930	669	938	586	897	529
Luxembourg	10,328	4,570	10,233	4,563	10,090	4,638
Malta	118	569	114	578	114	574
Netherlands	94	1,618	93	1,621	101	1,715
Norway	865	0	816	0	754	0
Poland	318	727	321	744	320	567
Portugal	127	244	113	248	115	266
Romania	78	30	78	30	74	22
Slovakia	68	18	70	19	67	20
Slovenia	100	15	101	0	100	14
Spain	2,038	631	1,983	635	1,737	672
Sweden	539	92	527	96	525	100
Switzerland	900	160	896	167	929	171
Turkey	398	58	400	60	387	53
United Kingdom	2,193	1,001	2,177	999	2,124	986
Total	33,359	28,635	32,978	28,547	32,026	28,353

(1) Belgian data for Q4 2018 and Q3 2018 is estimated; (2) All quarters include data on closed-ended funds at end 2017.