



FOR IMMEDIATE RELEASE

IN BRIEF

- **Total sales rose to €26.7bn this month.** Money market funds continued to drag on the total and once excluded, sales rose to €31.2bn.
- Money market outflows slowed to just a third of last month's volume, and could be signalling the end of the exodus.
- **Equity fund flows totalled €4bn**, half of March's total, and were the lowest since March 2009. Emerging Markets, US and UK were the sectors of choice.
- **The top selling groups were Franklin Templeton, HSBC and Aviva** with flows of €4bn, €3.6bn and €2.3bn respectively.
- For bond fund sales, the best selling group by a wide margin was Franklin Templeton (€3.5bn). Global Bond and Global Total Return Bond were its best sellers.
- **For equity fund sales, the top selling group was Amundi** with sales of €800m, but the best individual fund performance was ETFLab's DAX ETF with sales of .

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BUYERS BANK ON BONDS...

European fund sales broadly followed the same pattern of earlier months, but in far greater relief. It was the second month in a row that bond funds registered €18bn+ of flows, their third highest volume on Lipper FMI records, but with the slowdown in activity in equity funds (€4bn) and the ongoing exodus from the money market segment, bond flows accounted for a whopping two thirds of April's €27bn sales.

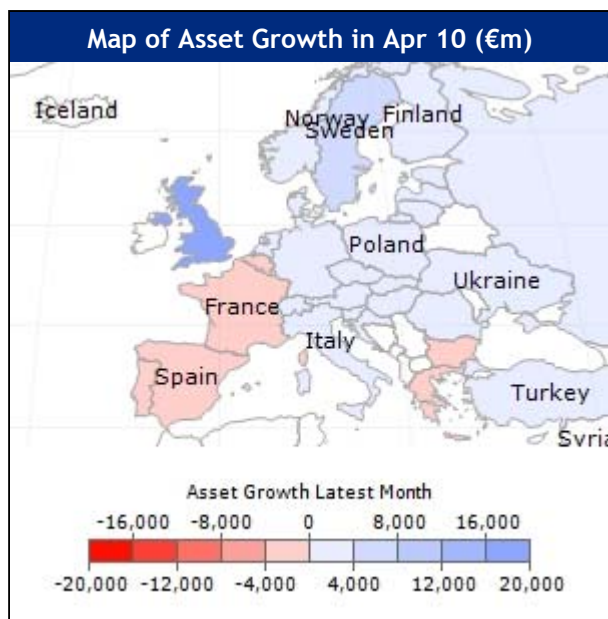
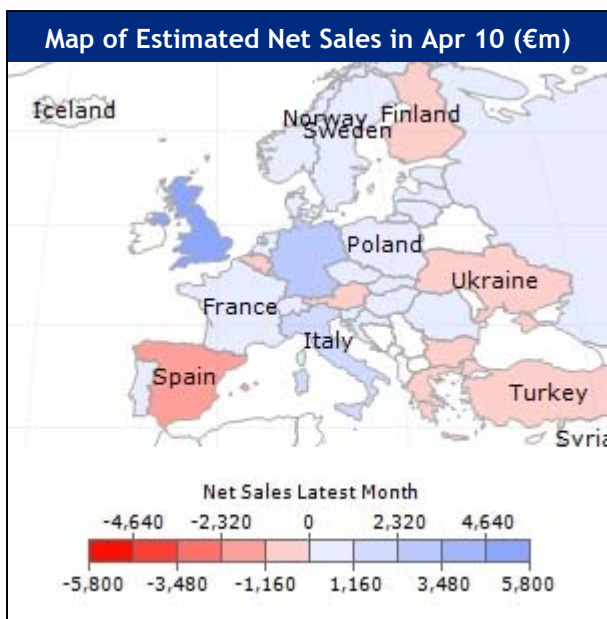
2005 REVISITED?

Bond fund enthusiasm is one of the most extraordinary features of the financial crisis recovery period. Sales these past two months were the best since their all-time high of €20bn in July 2005. So far this year, sales are running at €61bn, a figure that is not only 70% of 2009's bond total, but also marginally higher than like-for-like sales in 2005, which was the bond's sector record year (€150bn). But that's where the similarities end. In 2005, new accounting standards, the avoidance of the European savings directive and strong interest in LDI combined to boost fund flows to an all-time annual high of €150bn, mainly invested in long European bonds. This time, low interest rates are driving bond enthusiasm and Emerging markets, Global Currencies and high yield varieties of bond funds are heading the bill.

BEWARE OF GREEKS BEARING GILTS²

The question on everyone's lips is whether the crisis in Greece and its Southern European neighbours will bring this bond trend shuddering to a halt and put money market funds back into the limelight or result in an even more emphatic shift into global and emerging market bond funds (arguably safer than their core European counterparts). Stock markets indices are painting an unattractive picture for May and equity flows are likely to continue their downward trend, but the jury's still out on the outlook for bond and money market funds. If investors continue to pour money into bond funds, the asset class could reach bubble-like proportions...

1. Ranking excludes money market funds and funds of funds
2. Source: Buttonwood at the Economist coined this phrase.



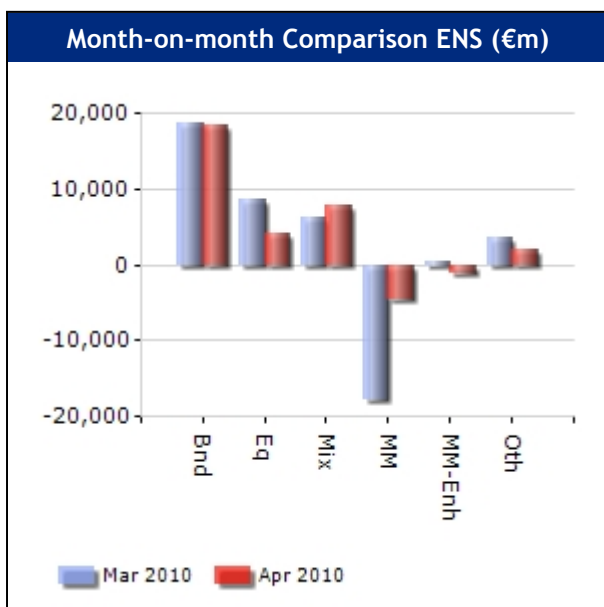
Note: European Data Map excludes international activity

Top 5 Markets by TNA Apr 10 (€bn)

Market	Assets	Mth Grth	As %
International	1,491.4	47.7	3.3
United Kingdom	579.3	19.6	3.5
Germany	424.8	2.7	0.6
France	354.5	-3.5	
Italy	290.7	2.6	0.9
Rest	914.7	5.2	
Total	4,055.5	74.2	

Top 5 Markets by ENS in Apr 10 (€m)

Fund Market	Est Net Sales
International	21,897.3
United Kingdom	5,757.0
Germany	2,566.6
Italy	1,870.6
Sweden	379.5
Rest	-1,316.6
Total	31,154.3



Top Sectors in Apr 10 (€m)

Bnd Em Mkt	5,129.8
Bnd GI Curr	3,543.7
Asset Alloc	3,351.9
Mix bal	2,502.4
Eq Em Mkt	2,004.2

Bottom Sectors in Apr 10 (€m)

Eq Europe	-1,937.3
Eq Euroland	-1,882.5
Bnd Eur Sh-T	-1,776.7
ST Dynam	-1,155.3
Eq Switz	-583.9

Note: charts and rankings on this page exclude funds of funds and money market funds. ENS=Estimated net sales. TNA=Total net assets.