Funds receive $665 billion net inflow worldwide in first half of 2013

By Editor Test *Wed, Aug 14, 2013*

Funds outside the US collected $360 billion on a net basis, of which nearly 75% went to European funds, including cross-border UCITS funds that are sold globally, according to a report from Strategic Insight.

Despite net redemptions of $120 billion in June, investors worldwide contributed a net $665 billion to long-term funds (except money market funds) worldwide in the first half of 2013, Strategic Insight reported. The June outflows represented less than a half-percent of the world's assets under management.

Funds outside the US collected $360 billion on a net basis, of which nearly 75% went to European funds, including cross-border UCITS funds that are sold globally. Bond fund net redemptions in European and cross-border international funds reached 1.7% of total assets during June, similar to the levels experienced in the US.

Equity funds, however, registered net redemptions of just 0.5% of assets. With stock markets recovering in July, cash flows should improve, the firm said in a release: "Historically, stock or bond fund redemptions driven by sharp price corrections have usually been limited in magnitude, short in duration, and non-recurring."

According to Strategic Insight:

> Demand in Europe and Asia will continue to revolve around the major themes of recent months but with some shift in emphasis. Income vehicles, multi-asset, flexible and unconstrained allocation, non-traditional strategies, risk control and managed volatility, target maturity, and outcome-oriented products recently powered the gains for asset managers and will remain in demand, but sales of equity funds will also likely expand over time.
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> Cash flows for some leading funds in the first quarter ran at more than double the monthly pace seen last year. Sales grew even further in April and May for a few, and even though June was a difficult month, flows in the second quarter were higher than the previous period for several flagship products. Strategic Insight counts nearly 270 funds around the world that each captured at least $1 billion and as much as $13 billion during the first half of 2013.

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