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# Monthly European ETF Market Trends

## September 2014 in brief



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**European ETF market flows turned negative in September 2014, breaking a one-year sustained positive trend. Net outflows during this month amounted to EUR2.0bn. Total Assets under Management (EUR344.9bn) are nearly flat if compared to the level at end of August 14, benefiting from a positive equity market impact (0.92%\*).** **European and German equity ETFs in particular have registered record high outflows in an increasingly volatile environment (VSTOXX up from 14.5% to 17.6% between the 19<sup>th</sup> and the 26<sup>th</sup> September).**

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■ **Equity ETFs registered significant outflows of EUR1.7bn.** In Europe, German and Eurozone equity indexations have posted high outflows respectively of -EUR2.3bn and -EUR1.2bn, mainly concentrated on a very limited number of ETFs. Peripheral and Small and Mid cap equity ETFs in Europe have also registered outflows (-EUR325M and -EUR269M respectively) whereas European value indexations inflows reached a one-year record high of EUR193M. Regarding other developed countries, US and Japan indexations saw sustained inflows of EUR908M and EUR304M both above one year average NNA. Emerging market equity ETFs inflows are also still sustained at EUR711M, mainly focused on broad indexations together with some flows on Asian regional indexations.

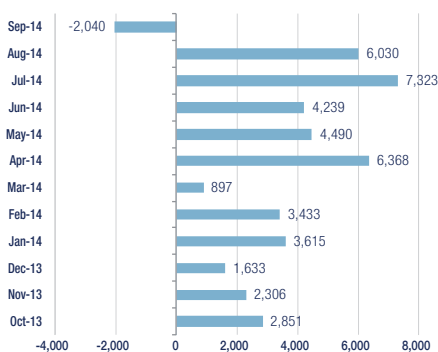
■ **Fixed income ETFs also registered outflows amounting to EUR170M reflecting a pause in the positive year-long trend. Outflows were mainly concentrated on European Govies at -788M whereas flows were positive on US treasuries indexations at EUR468M.** Global corporate bonds ETFs continued to be favoured by investors with EUR134M of inflows as credit continues to offer an attractive risk reward profile. High yield indexations have continued to register outflows of EUR215M amidst fears of already very tight valuations. Net flows on Emerging market debt are almost flat this month.

\*Price variation of the MSCI ACWI NTR Index in EUR between 29/08/14 and 26/09/14.

## EUROPEAN ETFs IN SEPTEMBER 2014 – NET INFLOWS (EURM)

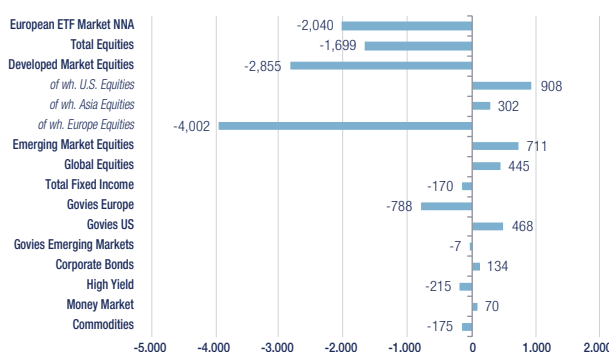
### FIRST MONTH OF OUTFLOWS SINCE ONE YEAR AT EUR2.0BN IN SEPTEMBER 2014

MONTHLY NET NEW ASSETS ON EUROPEAN ETFs



### MAINLY CONCENTRATED ON DEVELOPED EUROPE EQUITIES

MONTHLY NET INFLOWS ON EUROPEAN ETFs BY ASSET CLASS

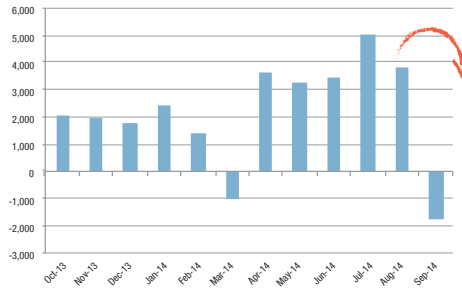


Sources: Monthly data in EURM from 01/09/2013 until 26/09/2014, Bloomberg, Lyxor

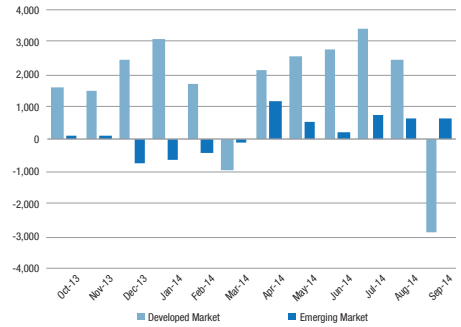
# OVERVIEW BY ASSET CLASS

## EQUITY

**RECORD OUTFLOWS ON EQUITY ETFs IN SEPTEMBER 2014 AT EUR1.7BN**  
MONTHLY NET NEW ASSETS ON EQUITY ETFs

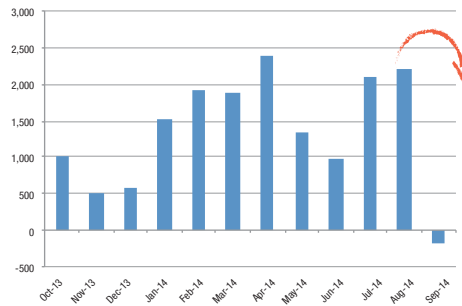


**STRONG OUTFLOWS ON DEVELOPED MARKETS**  
MONTHLY NET NEW ASSETS ON DEVELOPED VS EMERGING MARKETS EQUITY ETFs

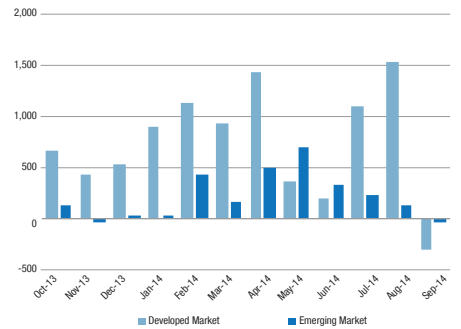


## FIXED INCOME

**REVERSAL OF FIXED INCOME ETFs INFLOWS IN SEPTEMBER 2014 WITH -EUR170M OF OUTFLOWS**  
MONTHLY NET NEW ASSETS ON FIXED INCOME ETFs

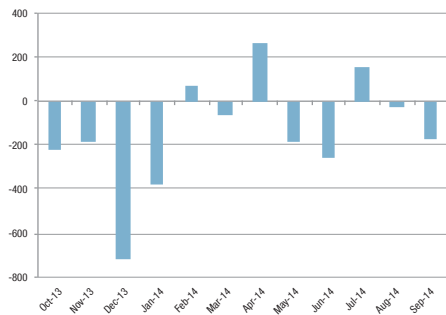


**WITH DM FIXED INCOME ETFs AT - EUR306M**  
MONTHLY NET NEW ASSETS ON DEVELOPED VS EMERGING MARKETS FIXED INCOME ETFs

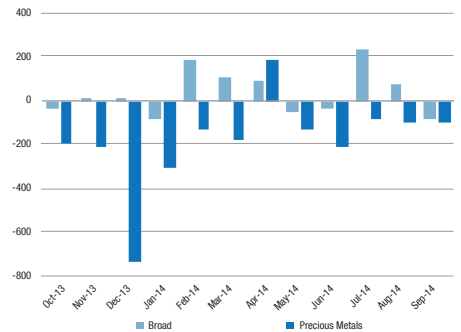


## COMMODITIES

**OUTFLOWS ON COMMODITIES ETFs AT EUR175M ABOVE ONE YEAR AVERAGE OUTFLOWS OF -EUR143M**  
MONTHLY NET NEW ASSETS ON COMMODITIES ETFs



**OUTFLOWS ON BOTH PRECIOUS METALS AND BROAD INDEXATION ETFs**  
MONTHLY NET NEW ASSETS ON BROAD & PRECIOUS METALS ETFs



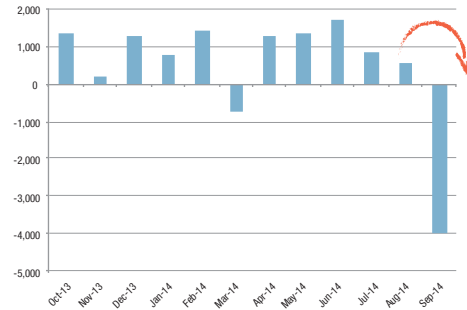
Sources: Monthly data in EURM from 01/09/2013 until 26/09/2014, Bloomberg, Lyxor

EQUITIES

EUROPEAN EQUITIES

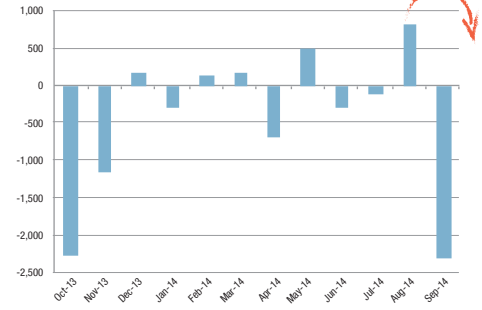
**RECORD OUTFLOWS ON EUROPE EQUITY ETFS AT EUR4BN**

MONTHLY NET NEW ASSETS ON EUROPE EQUITY ETFS



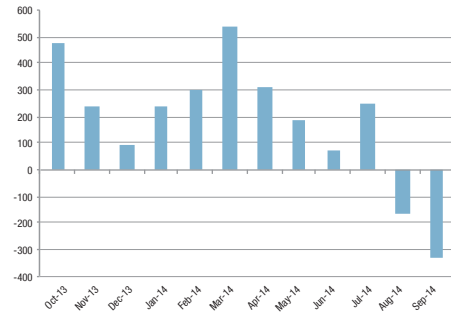
**...STRONG OUTFLOWS ON GERMANY MAINLY CONCENTRATED ON A LIMITED NUMBER OF PRODUCTS**

MONTHLY NET NEW ASSETS ON GERMAN EQUITY ETFS



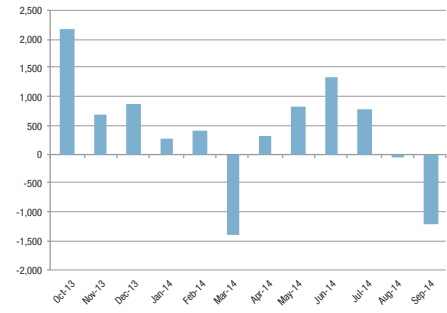
**STILL SUSTAINED OUTFLOWS ON PERIPHERAL EQUITY ETFS AT EUR325M**

MONTHLY NET NEW ASSETS ON PERIPHERAL EUROPE EQUITY ETFS



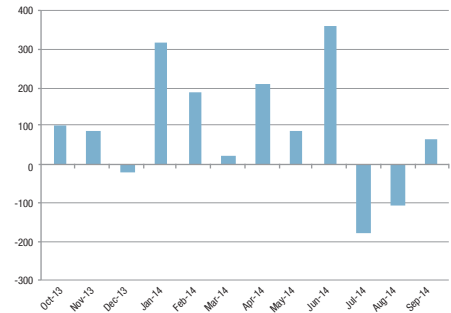
**STRONG OUTFLOWS ON EUROZONE INDEXATIONS ALSO CONCENTRATED ON A LIMITED NUMBER OF ETFS**

MONTHLY NET NEW ASSETS ON EUROPE REGION EQUITY ETFS



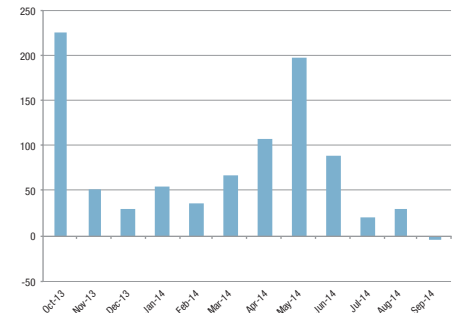
**SLIGHT REBOUND OF EUROPEAN FINANCIALS EQUITY INDEXATIONS WITH EUR68M OF NNA**

MONTHLY NET NEW ASSETS ON FINANCIALS EUROPE EQUITY ETFS



**PAUSE ON DEVELOPED EUROPE DIVIDEND ETFS WITH FLOWS AT -EUR1M**

MONTHLY NET NEW ASSETS ON EUROPEAN DIVIDEND EQUITY ETFS



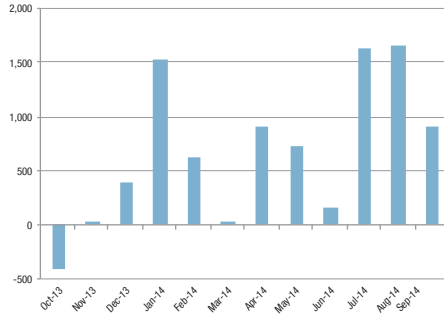
Sources: Monthly data in EURM from 01/09/2013 until 26/09/2014, Bloomberg, Lyxor

EQUITIES

US & JAPAN EQUITIES

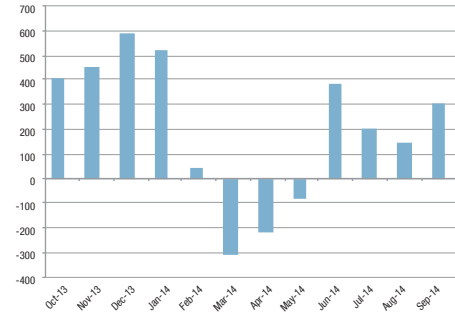
**STILL SUSTAINED INFLOWS ON US EQUITY ETFS IN SEPTEMBER 2014 WITH EUR908M, ABOVE ONE YEAR AVERAGE AT EUR688M**

MONTHLY NET NEW ASSETS ON US EQUITY ETFS



**POSITIVE TREND CONFIRMED ON JAPAN ETFS WITH INFLOWS OF EUR304M, ABOVE ONE YEAR AVERAGE AT EUR201M**

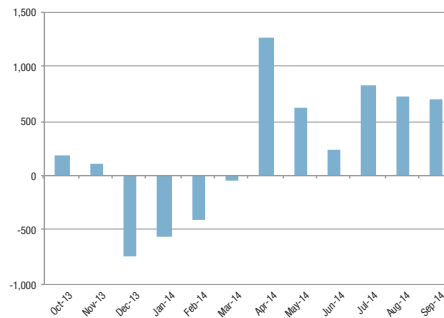
MONTHLY NET NEW ASSETS ON JAPAN EQUITY ETFS



EMERGING MARKET EQUITIES

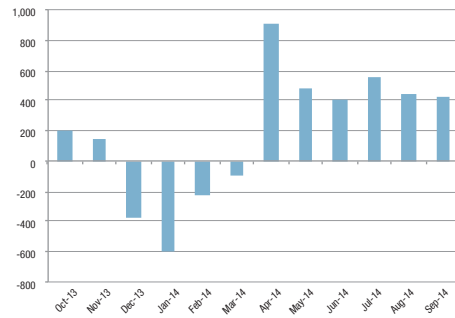
**POSITIVE INFLOWS FOR THE SIXTH CONSECUTIVE MONTH ON EMERGING ETFS AT EUR711M**

MONTHLY NET NEW ASSETS ON EMERGING EQUITY ETFS



**MAINLY COMING FROM BROAD EM EQUITY INDEXATIONS AT EUR422M**

MONTHLY NET NEW ASSETS ON BROAD EM EQUITY ETFS\*

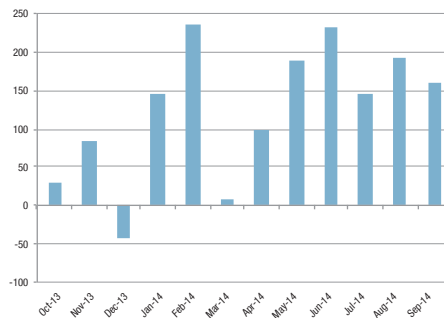


\*mainly concerning MSCI EM indexations

THEMATIC

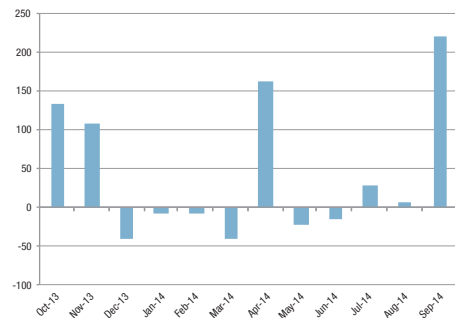
**STILL SUSTAINED INFLOWS AT EUR160M ON SMART BETA ETFS**

MONTHLY NET NEW ASSETS SMART BETA EQUITY ETFS



**ONE YEAR RECORD HIGH INFLOWS ON VALUE EQUITY ETFS AT EUR 222M**

MONTHLY NET NEW ASSETS ON VALUE STYLE EQUITY ETFS



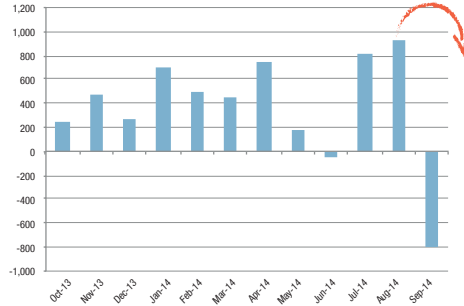
Sources: Monthly data in EURM from 01/09/2013 until 26/09/2014, Bloomberg, Lyxor

# FIXED INCOME

## EUROPEAN DEBT MARKET

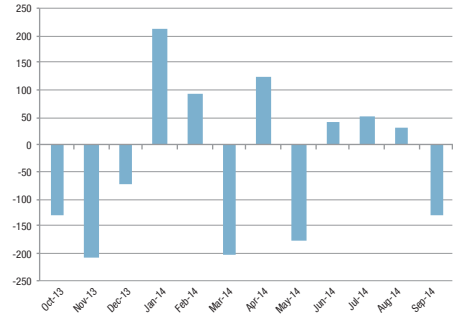
**BREAK IN THE POSITIVE TREND SINCE ONE YEAR ON EUROPEAN GOVIES WITH OUTFLOWS OF EUR788M**

MONTHLY NET NEW ASSETS ON EUROPE GOVIES ETFS



**GERMAN GOVIES EXPERIENCED OUTFLOWS AT EUR126M**

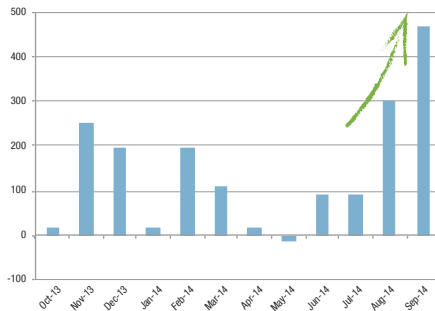
MONTHLY NET NEW ASSETS ON GERMAN GOVIES ETFS



## US GOVIES

**RECORD HIGH INFLOWS ON US GOVIES AT EUR468M VS A 1-YEAR AVERAGE AT EUR145M**

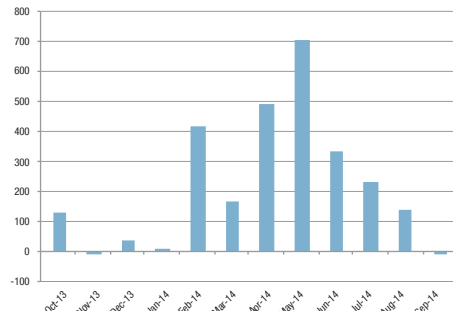
MONTHLY NET NEW ASSETS ON US GOVIES ETFS



## EMERGING MARKET DEBT

**HALT IN EM DEBT FLOWS WITH -EUR4M OF OUTFLOWS**

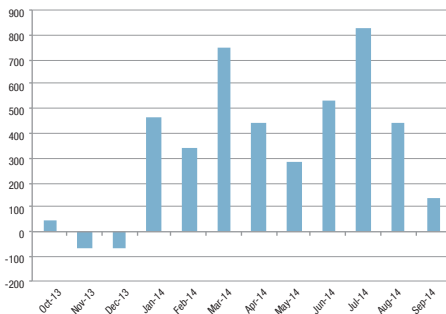
MONTHLY NET NEW ASSETS ON EMERGING MARKET DEBT ETFS



## CREDIT MARKET

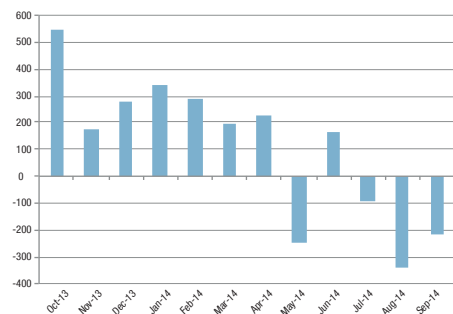
**DECREASING TREND ON CORPORATE BONDS INFLOWS WITH EUR134M**

MONTHLY NET NEW ASSETS ON CORPORATE BOND ETFS



**STILL SUSTAINED OUTFLOWS ON HIGH YIELD BONDS AT EUR215M WITH NNA YTD REDUCED TO EUR332M**

MONTHLY NET NEW ASSETS ON HIGH YIELD BOND ETFS



Sources: Monthly data in EURM from 01/09/2013 until 26/09/2014, Bloomberg, Lyxor

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**Capital at risk:** The capital invested is not guaranteed.

**Replication risk:** The fund objectives might not be reached due to unexpected events on the underlying markets which will impact the index calculation and the efficient fund replication.

**Fund Liquidity risk:** The Fund's liquidity and/or value may be negatively affected by different factors.

**Counterparty risk:** The Fund shall be exposed to the counterparty risk resulting from the use of OTC forward financial instruments contracted with a lending institution.

**Currency risk:** The UCITS ETFs are exposed to currency risk, as they may be denominated in a currency different from the index.

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