

SIXTY SECOND REVIEW

UK FUND INDUSTRY

3RD QUARTER 2013



FUNDSCAPE

Increasing investor confidence in the stock market, coupled with painfully low interest rates on cash deposits helped to boost retail investment in the third quarter to its best quarterly level for over two years according to IMA figures. This year's net retail sales are on track to be well ahead of last year's.

STAYING PUT

Gross retail sales in Q3 were 6% down on Q2 at £32.6bn, but lower repurchases boosted net sales.

NO SUMMER LULL

Net retail sales were £6.3bn, the highest Q3 inflow since 2010.

ISAs ATTRACT

Net sales of funds through ISAs were nearly £250m, their highest Q3 level for three years.

FOUR NOT OUT

Equity was the best selling asset class for the fourth successive quarter attracting net flows of £3.3bn.

BONDS NOT FORGOTTEN

Sales of bond funds returned to the positive.

REAL ESTATE REVIVAL

Property funds saw a further 30% increase in net retail sales in the quarter as this asset class gained ground.

10 AND 10 FOR M&G

M&G was top for gross retail sales and was back in top ten for net retail sales too.

SCHRODERS ENJOYS CAZ EFFECT

Sales of Cazenove funds helped push Schroders into No 2 position for gross and net retail flows.

TEAM GARS

Standard Life Investments stayed in pole position for net retail sales despite Euan Munro's departure, thanks GARS team effort.

JUMPING FOR JOY

Artemis jumped to third position for net retail sales. Equity funds account for over 70% of the group's business.

YES TO EUROPE

Sales of European equity funds helped to boost the fortunes of Henderson and Barings. Both groups took places in the net retail top 10.

WEIGHT LOSS COMPLETE

Henderson has risen to fourth position for net retail sales now acquisitions outflows have stopped.

NIL NEIL

IP's net sales returned to the black in Q3 but Neil Wooford's exit looks to reverse this trend.

INCOME FAVOURITE

BNY Mellon remains firmly in gross and net retail top tens due to popularity of Newton income funds.

EQUITY BONUS

Net retail sales of equity funds this year are on course to reach their highest level since 2000.