

SIXTY SECOND REVIEW

UK FUND INDUSTRY

2ND QUARTER 2014



FUNDSCAPE

While professionals may be agonising about the next market correction, retail investors were happily piling into funds in the second quarter. It was the best quarter for net retail sales for three years according to IMA figures. Ever decreasing interest rates on deposit accounts have made investors less risk averse.

NOW AND THEN

Gross retail sales in Q2 were £39.3bn, up 13% on the same time last year.

Net retail sales were £6.9bn — 32% higher.

STRONG RISE IN PROPERTY SALES

Net retail flows into property funds rose by 65% over the quarter to £1.3bn.

PASSIVE VICTORY

BlackRock in top spot for gross and net retail sales in Q2 due to sales of passive funds.

RIGHT TIME, RIGHT FUNDS

Henderson in top ten for gross and third for net retail thanks to popularity of its property, mixed and European funds.

NEW OWNER

SWIP leapt into retail top ten after Aberdeen started promoting its property fund.

ISA SEASON

MARK 1

Last-minute laggards and early-bird investors boosted gross ISA sales to over £6bn.

MARK II

Some ISA investors were holding back until the launch of NISAs on 1 July.

ONE FUND, ONE GUVNOR, MARK I

Woodford jumps into net retail top 10 after much hyped new fund launch.

MARK II

Fundsmith also enters net retail top 10 thanks to strong support for Terry Smith 's single global equity fund.

MANY GUVNORS

Standard Life Investments GARS remains a top seller but its multi -manager funds also do well.

ASSET OF CHOICE

Equity funds were the top choice for retail investors, attracting 46% of net retail sales in the quarter.

EMERGING MKT BOND COMEBACK

Net retail sales of bond funds revived as interest in emerging mkt bonds rekindled.

KEEPING IT REAL

BNY Mellon maintains strong sales thanks to Newton Real Return and Asian Income.

INCOME DEMAND

Not only Woodford but other groups are benefitting from the demand for equity income funds.

PAYING DIVIDENDS

Artemis and Thread-needle scoring from sales of both UK and Global equity income funds.