

STATISTICAL REPORT

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IIFA Presents Expanded Worldwide Regulated Open-End Fund Assets and Flows Report

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Over the past several years, the IIFA's International Statistics Working Committee has reviewed the International Statistical Exchange to enhance the scope and quality of the data that constitute the IIFA publication of statistics on "Worldwide Regulated Open-End Fund Assets and Flows."

The result of this review is an expanded report that includes data on all substantively regulated, open-end investment funds. Substantively regulated means that the funds must be constrained by some diversification limits, concentration limits, and/or leverage limits with a view to offering a high level of investor protection. An open-end fund is one that issues units/shares that are redeemable. These products include exchange-traded funds (ETFs), institutional funds, guaranteed/protected funds, (open-end) real estate funds, and other substantively regulated funds.

The impact of the new data collection approach has been an increase of \$5.6 trillion dollars in fund assets for the fourth quarter of 2014. The new report and data set are currently available from the first quarter of 2014 to the first quarter of 2015. IIFA members are working to provide a longer, historical time series for the new collection, but as of now, there is a break in the data series going forward.

Changes in the data are highlighted in the following table. Of particular note, there is a marked increase in both assets and number of funds reporting. For the fourth quarter of 2014, fund assets increased by \$5.6 trillion and the number of funds has increased by nearly 20,000. The largest contribution comes from the addition of ETFs and institutional funds, which account for the bulk of the \$5.6 trillion. Assets in the other funds category also rose by \$1.1 trillion, while the guaranteed and real estate funds added nearly \$560 billion to the collection.

Comparison of Net Assets and Number of Funds

2014:Q4 Net assets

Billions of U.S. dollars	Number of funds	New	Old	New	Old	All funds*
36,995	31,381					

98,971	79,669	Long-term	32,447	26,851	93,134	76,207	Equity	16,039	13,891
32,797	29,367	Bond	8,270	7,413	17,609	15,813	Balanced/Mixed	4,921	3,979
22,757	18,856	Guaranteed	110	N/A	2,094	N/A	Real estate	448	N/A
Other	2,660	1,568	12,894	9,380	Money market	4,547	4,531	2,856	2,791

Memo items included above: Net assets

<i>Billions of U.S. dollars</i>	Number of funds	New	Old	New	Old	ETFs	2,451	N/A	2,897
N/A	Institutional	2,746	N/A	13,848	N/A	Sector equity	N/A	485	N/A
of funds	3,059	2,970	12,855	11,931					

* Excludes funds of funds where possible.

Under the new data collection, seven fund domiciles account for \$5.4 trillion (more than 95 percent) of the overall \$5.6 trillion increase in reported fund assets in the fourth quarter of 2014. These fund domiciles are France, Germany, Ireland, Japan, Luxembourg, the United Kingdom, and the United States. For the fourth quarter of 2014, the largest increases in reported assets were recorded in Germany (\$1.5 trillion in primarily institutional fund assets) and the United States (\$2.0 trillion in ETF assets). Reported fund assets in France and Ireland rose by \$549 billion and \$470 billion, respectively, due to a rise in other fund assets, while assets in Japan rose by \$391 billion due to the inclusion of institutional funds. Luxembourg and the United Kingdom also saw reported fund assets rise by \$310 billion and \$253 billion, respectively.

Which new funds are included in the report?

Exchange-traded funds: Funds whose shares/units are traded intraday on stock exchanges at market-determined prices. Investors may buy or sell ETF shares through a broker, just as they would the shares of any publicly traded company.

Institutional funds: Funds that are reserved to a limited number of non-retail investors. To be included in the exchange, these funds should be structured as collective investment schemes managed by investment fund managers, not separate accounts or discretionary mandates managed by banks, insurance companies, or investment banks.

Guaranteed/Protected funds: Funds that offer a formal, legally binding guarantee of income or capital, or funds that are designed to protect investors from the full volatility of markets.

Real estate funds: Funds that invest both directly and indirectly in properties, provided that the part invested in property would not be de minimis. It should be noted that funds investing in property securities and/or companies holding real estate and/or publicly traded shares of companies holding real estate and/or REITS will continue to be treated as equity funds.

Comparison of Net Assets and Number of Funds

2014:Q4 Net assets

<i>EUR billions</i>	Number of funds	New	Old	New	Old	All funds*	30,471	25,847	98,971
79,669	Long-term	26,726	22,570	93,134	76,207	Equity	13,210	11,441	32,797
29,367	Bond	6,812	6,106	17,609	15,813	Balanced/Mixed	4,053	3,277	22,757
18,856	Guaranteed	91	N/A	2,094	N/A	Real estate	369	N/A	2,127
2,191	1,291	12,894	9,380	Money market	3,746	3,277	2,856	2,791	

Memo items included above: Net assets

<i>EUR billions</i>	Number of funds	New	Old	New	Old	ETFs	2,019	N/A	2,897	N/A
Institutional	2,261	N/A	13,848	N/A		Sector equity	N/A	399	N/A	1,135
	2,520	2,446	12,855	11,931		Fund of funds				

* Excludes funds of funds where possible

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