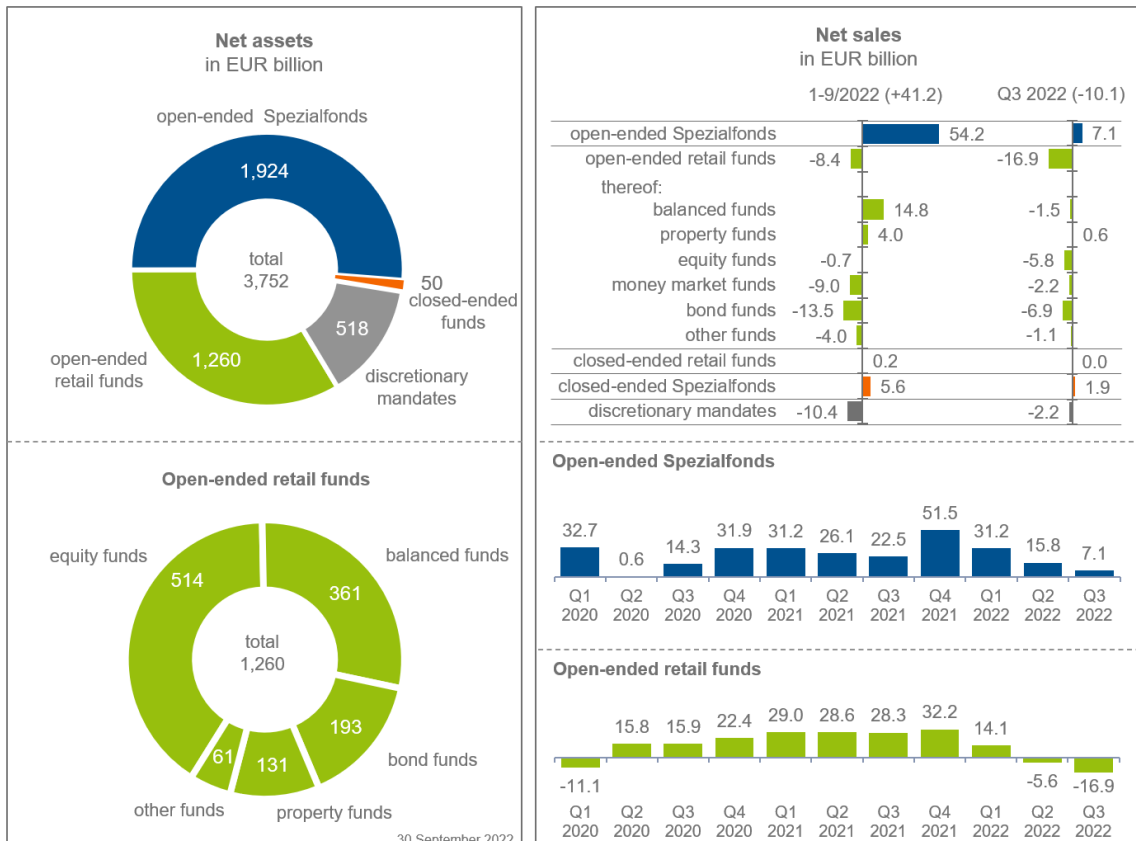


## Low fund sales in third quarter – still EUR 41 billion inflows since start of the year

- **Spezialfonds are the pillar of new business**
- **Retail funds: Bond funds and money market funds with outflows over the year**
- **Property funds focus on real estate located in Germany**

Frankfurt – 16 November 2022. In Germany, the fund industry recorded net outflows from funds and mandates of EUR 10.1 billion in the third quarter. After Spezialfonds and retail funds had started in January with record inflows totalling EUR 30 billion, sales declined in the year in view of the market turbulence caused by the Ukraine war and the increased inflation rate.

Year to date, the fund industry has recorded inflows of EUR 41.2 billion as of the end of September. The new business of open-ended Spezialfonds added up to EUR 54.2 billion in inflows. Of this, EUR 34.2 billion were contributed by insurers and retirement benefit schemes. Investors withdrew a net EUR 8.4 billion from open-ended retail funds. Inflows into balanced funds (EUR 14.8 billion) and



property funds (EUR 4 billion) were offset by outflows from bond funds (EUR 13.5 billion) and money market funds (EUR 9 billion). An EU comparison shows that the German fund market is robust: according to Morningstar, in other EU countries a total of EUR 240 billion has flowed out of UCITS since the start of the year.

In Germany, property funds were the only retail fund group to attract new money in the third quarter (EUR 0.6 billion). Investors withdrew EUR 6.9 billion from bond funds and EUR 2.2 billion from money market funds. Institutional investors often use these funds for short-term investments of liquidity. For equity funds, redemptions amounted to EUR 5.8 billion, of which EUR 4.7 billion were accounted for by equity ETFs. Balanced funds recorded outflows of EUR 1.5 billion.

According to the Bundesbank, in the last two years a major part of the new business of retail funds originated from private investors. In 2022, they had put in EUR 35 billion in new money by the end of June – despite the generally lower savings rate and rising interest rates. An important factor in this development is fund savings plans, the number of which has risen significantly in recent years.

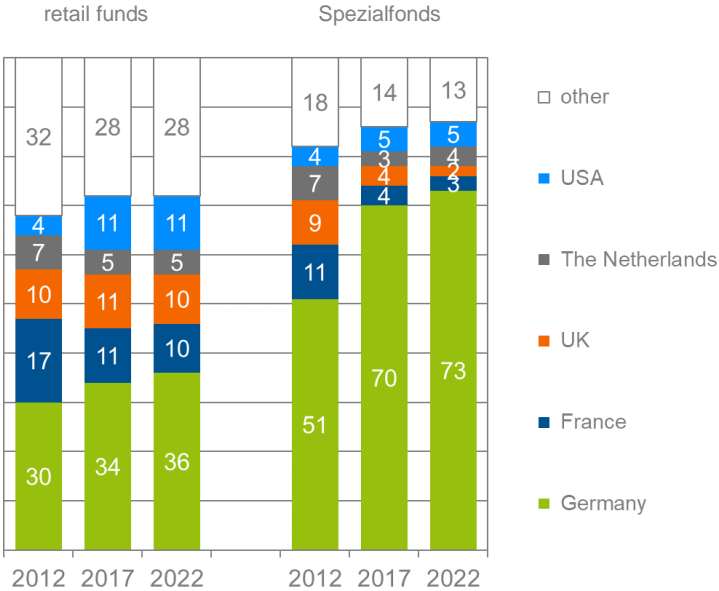
In total, the fund industry in Germany had assets of EUR 3,752 billion as of 30 September 2022. Of this amount, EUR 1,924 billion are attributable to open-ended Spezialfonds, EUR 1,260 billion to open-ended retail funds, EUR 518 billion to discretionary mandates and EUR 50 billion to closed-ended funds.

### **Property funds manage EUR 300 billion**

The net assets of property funds grew from EUR 267 billion (end of September 2021) to EUR 301 billion over the past 12 months. This equates to an increase of 13 per cent. Open-ended Spezialfonds accounted for EUR 153 billion, open-ended retail funds accounted for EUR 131 billion and closed-ended funds accounted for EUR 17 billion.

An analysis of open-ended property funds shows that they have intensified their focus on real estate located in Germany over the past ten years. Accordingly, based on market value, for retail funds the share increased from 30 to 36 per cent while for Spezialfonds the share grows from 51 to 73 per cent. The share of US real estate in retail funds has also grown strongly, almost tripled from 4 to 11 per cent. In contrast, property funds reduced their share of real estate located in France.

**Open-ended property funds: property locations**  
in per cent, based on market value



In each case as at 30 June