

UK Fund Flows

May 2024



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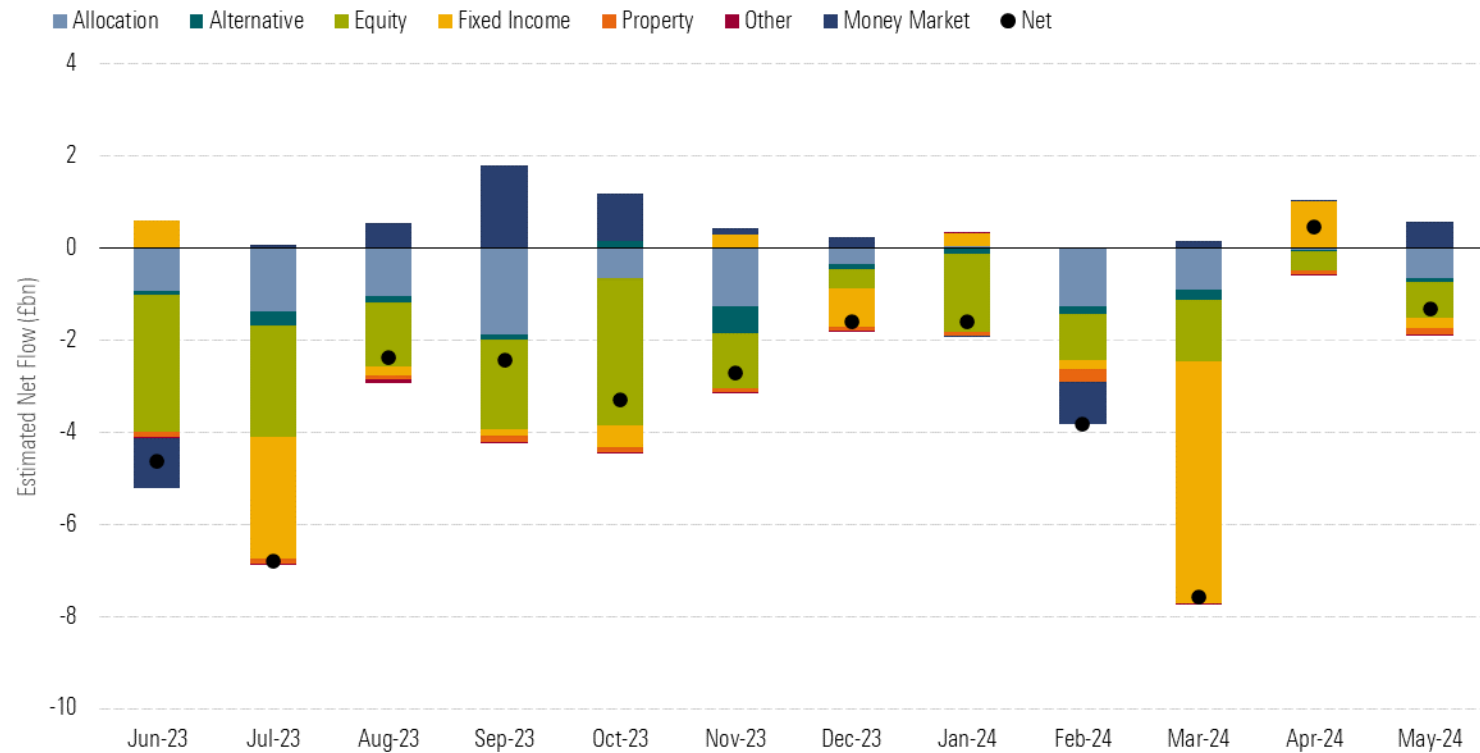
Key Takeaways

- ▶ UK-domiciled funds returned to net outflows in May 2024, driven by redemptions from equity and allocation strategies.
- ▶ Equity strategies have reported net redemptions in aggregate since November 2022.
- ▶ Outflows from the UK equity categories continued, extending their recent negative trend.
- ▶ Investors' appetite for money market strategies helped offset outflows in May.
- ▶ Passive strategies recorded net inflows, while active strategies saw further redemptions in May.
- ▶ Sustainably labeled funds suffered less outflows than their mainstream counterparts.
- ▶ Investors showed a preference for global large-cap equity strategies in aggregate.
- ▶ BlackRock saw the biggest inflows in May and is well ahead of peers for the year to date.
- ▶ Newly launched JPM Global Focus, the UK-domiciled version of its longer-standing SICAV, was met with strong investor demand and topped the flows league table in May.
- ▶ Overall, investors' preference for passive strategies proved to be a tailwind for fund groups with good passive offerings.

For details on the universe, please see disclosures on Page 10.

Global Broad Category Group Net Flows in the Past 12 Months (GBP Billion)

Net outflows from equity strategies have persisted on a monthly basis since November 2022.



Source: Morningstar Direct Asset Flows. Data as of June 17, 2024.

Global Broad Morningstar Category Group Net Flows

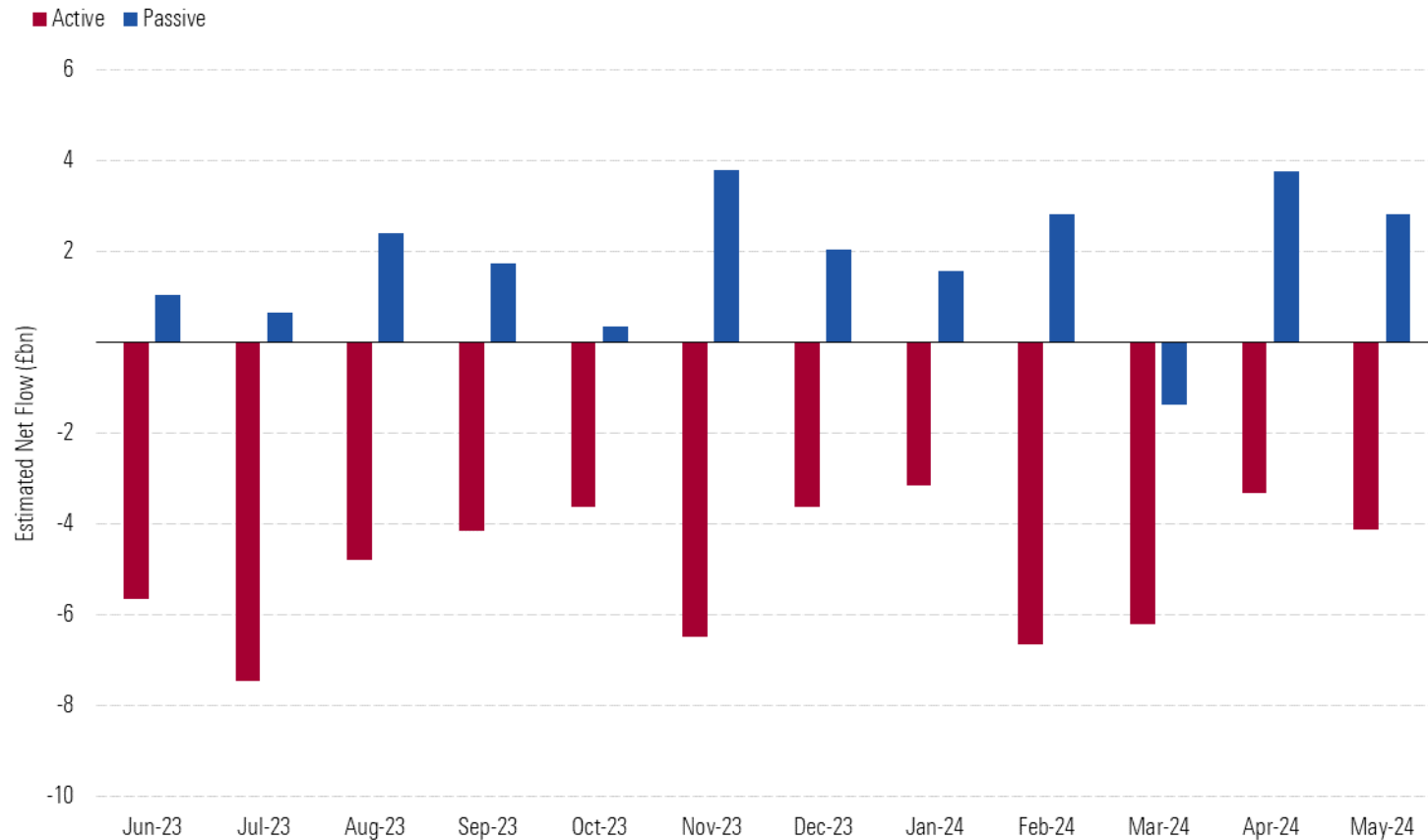
Inflows into money market strategies offset by net outflows in all other broad categories in May.

Global Broad Category Group	Total Estimated Net Flows £Mil		Assets
	May 24	YTD	£Bil
Allocation	-655	-2,866	158
Alternative	-76	-558	8
Equity	-783	-5,265	713
Fixed Income	-223	-4,364	179
Property	-140	-603	7
Other	-2	-4	1
Money Market	557	-198	32
Total	-1,322	-13,858	1,098

Source: Morningstar Direct Asset Flows. Data as of June 17, 2024.

Active Versus Passive Flows

Passive strategies recorded net inflows, while active strategies saw further redemptions in May.

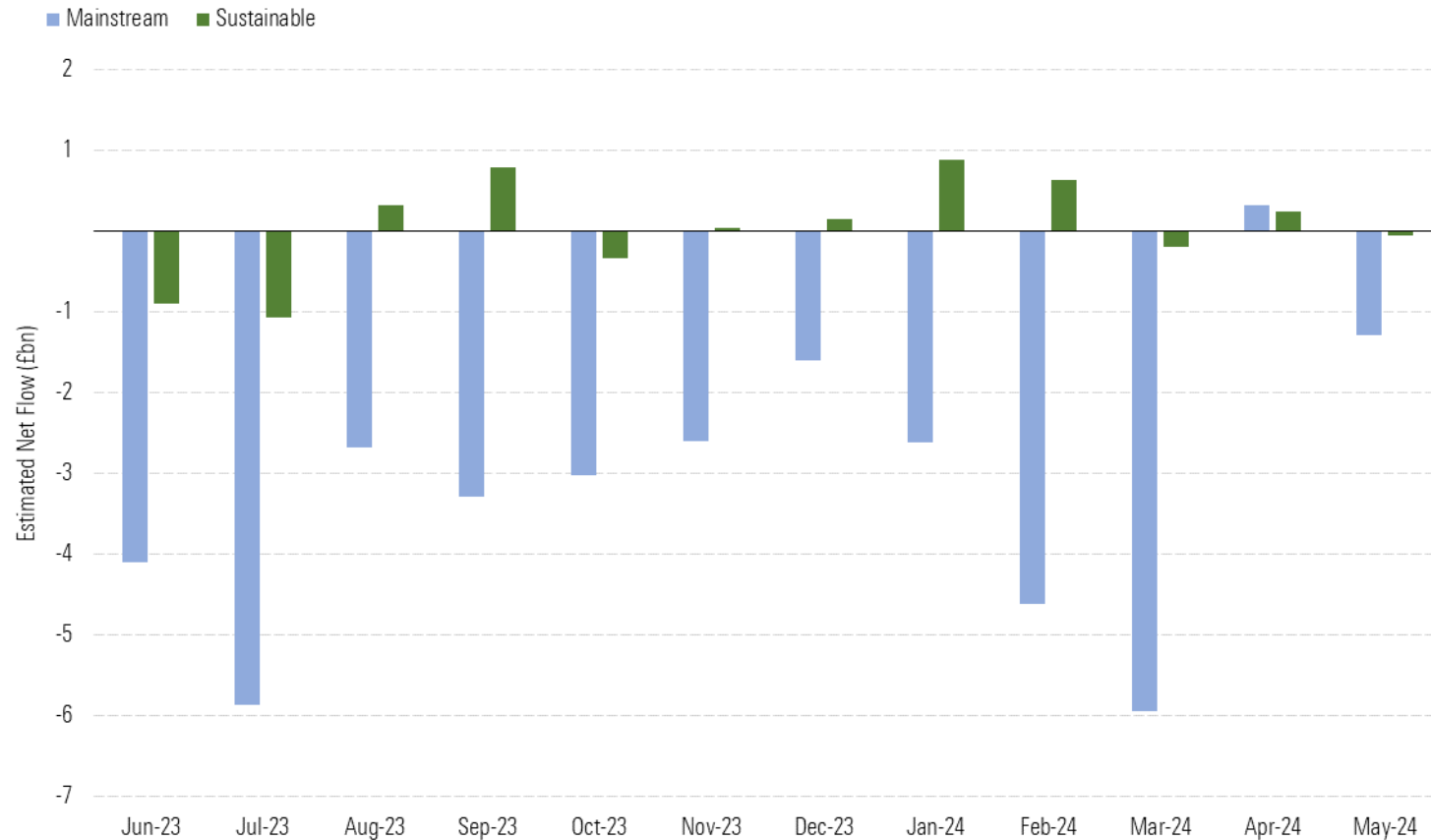


	Flows £Mil		Assets
	May 24	YTD	£Bil
Passive	2,812	9,583	311
Active	-4,134	-23,441	787

Source: Morningstar Direct Asset Flows. Data as of June 17, 2024.

Sustainable Versus Mainstream Flows

Sustainably labeled funds suffered less outflows than their mainstream counterparts in May.



Sustainable	Flows £Mil		Assets £Bil
	May 24	YTD	
Yes	-61	1,504	142
No	-1,286	-14,133	937

Source: Morningstar Direct Asset Flows. Data as of June 17, 2024.

Morningstar Categories With the Largest Net Inflows and Outflows

Investors showed a preference for global large-cap equity strategies.

Outflows from the UK equity categories continued, extending their recent negative trend.

Morningstar Categories	Total Estimated Net Flows £Mil		Assets £Bil
	May 24	YTD	
Top			
Global Large-Cap Growth Equity	1,012	-393	65
GBP Money Market - Short Term	611	235	21
Global Large-Cap Blend Equity	331	3,485	87
Europe ex-UK Equity	276	739	50
Global Corporate Bond - GBP Hedged	270	1,073	15
Bottom			
UK Large-Cap Equity	-1,404	-4,021	80
GBP Flexible Allocation	-673	-2,621	27
UK Equity Income	-536	-2,504	42
Global Flexible Bond - GBP Hedged	-384	-1,461	18
UK Flex-Cap Equity	-326	-2,324	30

Source: Morningstar Direct Asset Flows. Data as of June 17, 2024.

Estimated Net Flows for the Top 10 Fund Groups (Only UK-Domiciled Funds) by Assets (GBP Millions)

BlackRock saw the biggest inflows in May and is well ahead of peers for the year to date.

Overall, investors' preference for passive strategies proved to be a tailwind for fund groups with good passive offerings.

Fund Groups	Total Estimated Net Flows £Mil		Assets £Bil
	May 24	YTD	
BlackRock	1,772	7,023	112
Royal London	-351	360	70
Legal & General	281	1,412	65
Vanguard	141	587	61
Fidelity International	-79	-166	54
abrdn	176	-511	49
HSBC	-277	1,504	36
Baillie Gifford	-815	-4,102	33
Schroders	91	-577	31
M&G	-320	-207	28

Note: The report is focused on U.K.-domiciled open-end funds. Assets recycled into a strategy's different vehicle will be shown as outflows.

Source: Morningstar Direct Asset Flows. Data as of June 17, 2024.

Funds With the Largest Net Inflows and Outflows

Newly launched JPM Global Focus, the UK-domiciled version of its longer-standing SICAV, was met with strong investor demand and topped the flows league table in May.

Investor trends drive the prevalence of passive names among the funds attracting the largest inflows.

Funds	Total Estimated Net Flows £Mil		Assets £Mil
	May 24	YTD	
Top			
JPM Global Focus Fund	1,374	1,374	1,375
iShares UK Gilts All Stocks Idx Fd (UK)	474	568	6,369
Federated Hermes S-T Sterling Prime	415	-258	7,177
iShares North American Eq Idx Fd (UK)	305	1,560	13,489
iShares Continental Eurp Eq Idx Fd (UK)	258	1,154	6,752
Bottom			
HSBC FTSE All-World Index Fund	-463	206	3,973
Royal London UK Core Equity Tilt Fund	-422	-204	6,491
Aviva Investors Corporate Bond Fund	-419	-248	2,762
Allianz Strategic Bond Fund	-388	-820	540
iShares 100 UK Equity Index Fund (UK)	-296	-418	1,778

Source: Morningstar Direct Asset Flows. Data as of June 17, 2024.

Disclosures

Note: The figures in this report were compiled on June 17, 2024, and reflect only the funds that had reported net assets by that date. This report includes only open-end funds domiciled in the United Kingdom but not funds of funds unless specifically stated. It does not include collective investment trusts or separate accounts. Also note that exchange-traded funds are not included in this report. The data is survivorship-bias-free. Where an open-end fund is likely to have a large institutional footprint, it will not feature in the calculations. Assets recycled into a strategy's different vehicle such as a segregated mandate are catalogued as outflows for the purpose of this report. Readers are advised to consider this nuance when deriving conclusions from the data.

Important methodology note: Morningstar computes flows using the approach that is standard in the industry: Estimated net flow is the change in assets not explained by the performance of the fund. Our method assumes that flows occur uniformly over the course of the month. Adjustments for mergers are performed automatically. When liquidated funds are included, the final assets of the fund are counted as outflows. Reinvested dividends are not counted as inflows. We use fund-level reinvestment rates to improve accuracy in this respect. We make ad hoc adjustments for unusual corporate actions, such as reverse share splits, and we overwrite our estimates with actual flows if managers are willing to provide the data to us. Please [click here](#) for a full explanation of our methodology.



Disclosures

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