

## Recent trends in the Investment Fund's Industry

### A. European Investment Funds' Market – May 2015

The combined assets of the Investment Fund market in Europe, i.e. the market for UCITS and non-UCITS, increased by 1.2 percent in May 2015 to stand at EUR 12,738.3 billion<sup>1</sup>. This represents a 12.7 percent increase since the beginning of the year.

Total net assets of UCITS Funds stood at EUR 9,158.0 billion at the end of May 2015, representing a 1.4 percent increase since end April 2015 and 15.1 percent more than at the end of 2014. Total net assets of non-UCITS Funds enjoyed an increase of 0.7 percent in May 2015 to stand at EUR 3,580.4 billion at month end. Since the beginning of the year, the assets of these Funds increased by 7.0 percent.

In May 2015, European Investment Funds recorded positive net sales of EUR 53.0 billion (EUR 32.0 billion related to UCITS Funds and EUR 20.9 billion to non-UCITS Funds).

In 2015, there has been a net inflow to European Investment Funds amounting to EUR 452.9 billion (EUR 354.4 billion related to UCITS Funds and EUR 98.6 billion to non-UCITS Funds).

Luxembourgish Funds hold the largest share of European Investment Funds' industry, with total net assets standing at EUR 3,601.5 billion, which represents 28.3 percent of the total.

	Total Net Assets (May 2015)		Total Net Assets (December 2014)		Growth 2015 (%)	Total Net Sales (EUR billion)	
	EUR billion	% Total	EUR billion	% Total		May-15	Total 2015
Luxembourg	3,601.5	28.3%	3,095.0	27.4%	16.4%	31.2	205.3
Ireland	1,889.4	14.8%	1,661.2	14.7%	13.7%	-1.5	38.3
Germany	1,726.5	13.6%	1,581.6	14.0%	9.2%	7.4	69.1
France	1,724.8	13.5%	1,571.2	13.9%	9.8%	-3.5	49.3
UK	1,384.9	10.9%	1,184.1	10.5%	17.0%	3.9	5.8
Italy	285.1	2.2%	254.1	2.2%	12.2%	3.0	17.3
Spain	257.9	2.0%	229.1	2.0%	12.5%	2.8	19.2
Portugal	23.2	0.2%	23.0	0.2%	0.9%	-0.1	0.2
Greece	7.4	0.1%	7.5	0.1%	-0.8%	0.0	-0.2
<b>TOTAL</b>	<b>12,738.3</b>	<b>100.0%</b>	<b>11,302.0</b>	<b>100.0%</b>	<b>12.7%</b>	<b>53.0</b>	<b>452.9</b>

<sup>1</sup> Source: EFAMA. Includes UCITS and non-UCITS Funds (including Real Estate Funds).

Luxembourg and Germany recorded the highest net sales, in May 2015, with EUR 31.2 billion and EUR 7.4 billion, respectively.

On the opposite, France and Ireland stand out with net outflows in May amounting to EUR 3.5 billion and to EUR 1.5 billion, respectively.

## **B. Portuguese Mutual Funds' Market – July 2015<sup>2</sup>**

On July 31, 2015, total net assets of Portuguese Mutual Funds stood at EUR 11,422.9 million, which reflects a decrease of 1.5 percent when compared with the previous month. Since end December 2014, total net assets fell by 1.4 percent, while since July 2014, they register a reduction of 9.2 percent.

July was the month in which the new tax regime for Collective Investment Undertakings entered into force. Being too early to assess any behaviors' change, the launch, in this month, of several Funds in the context of the new model, must be highlighted and also the fact that a significant part of the Management Companies registered a substantial volume of subscriptions, especially the two biggest ones.

Despite these encouraging signs, a specific circumstance related with external factors to the Portuguese market, turned out to have a negative effect on our Investment Funds' volume. The entry into force in the United States, of the Volker's Rule, on last July 21, limited the trading activities and the type of investments held by financial institutions integrated in groups listed in the US. Consequently, the entities that comprise Santander Totta's Group redeem, in July, about EUR 335 million invested in the Fund Santander Multiobrigações.

In fact, if disregarded this specific case, the market would present a positive balance of subscriptions/redemptions of EUR 101.1 million.

Additionally, in July, there was also the liquidation of one Fund, as listed below, that accounted for another EUR 10.4 million that were reimbursed.

Thus, the total outflow amounted to EUR 877.3 million, which resulted in monthly net redemptions of EUR 244.9 million. Total net sales registered in 2015 are also negative, reaching a total of EUR 394.8 million.

During the month there were three new Funds launched: BPI Agressivo, BPI Dinâmico e BPI Moderado. During the same period, "Caixagest Mix Emergentes - FIA" was liquidated. Therefore, the number of active Mutual Funds at the end of July stood at 192, two more than the previous month.

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<sup>2</sup> Figures do not include information regarding assets under management nor net sales of the Funds managed by Optimize Investment Partners prior to December 31, 2014 (exclusive, in the case of assets under management). Additionally, it does not include information of the Funds managed by another Management Company. The management companies considered represented 99.93% of the total Portuguese Mutual Funds' assets at end of June 2015 (Source: CMVM).



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	July 2015	June 2015	December 2014	July 2014
Total Net Assets (EUR million)	11,422.9	11,599.4	11,581.1	12,578.5
Change (%)*	-	-1.5%	-1.4%	-9.2%
Number of Funds	192	190	210	234

\* - Change between July 2015 and the month in question.

	July 2015	Since December 2014	Since July 2014
Subscriptions (EUR million)*	632.4	4,660.6	7,796.3
Outflow (EUR million)*	877.3	5,055.4	9,207.9
Redemptions (EUR million)	531.3	4,295.0	8,071.5
Funds' Liquidation (EUR million)	10.4	271.3	424.0
Cross-border mergers (EUR million)	-	153.5	376.8
Regulatory Changes (EUR million)	335.6	335.6	335.6
Net Sales (EUR million*)	-244.9	-394.8	-1,411.6

\* - In July 2015 were not included the values of subscriptions and redemptions of the Funds managed by MNF Gestão de Activos since they are not available yet.

## Management Companies

In July 2015, Caixagest was the Management Company with the largest market share, with total net assets standing at EUR 4,027.6 million, which represents 35.3 percent of the total. BPI Gestão de Activos ranks second, with total net assets of EUR 2,053.1 million and a market share of 18.0 percent and Santander Asset Management ranks third, with EUR 1,631.6 million of assets under management and a market share of 14.3 percent.

Popular Gestão de Activos was the Management Company that registered the highest percentage growth, with 4.0 percent increase over the previous month (EUR 6.4 million). The largest growth in total net assets belonged to Caixagest that increased EUR 91.3 million (2.3 percent).

Since end December 2014, Optimize Investment Partners is the Management Company registering the highest percentage growth with 27.2 percent (EUR 15.0 million), while Caixagest is the Management Company with the largest increase in total net assets, with EUR 364.8 million (10.0 percent).



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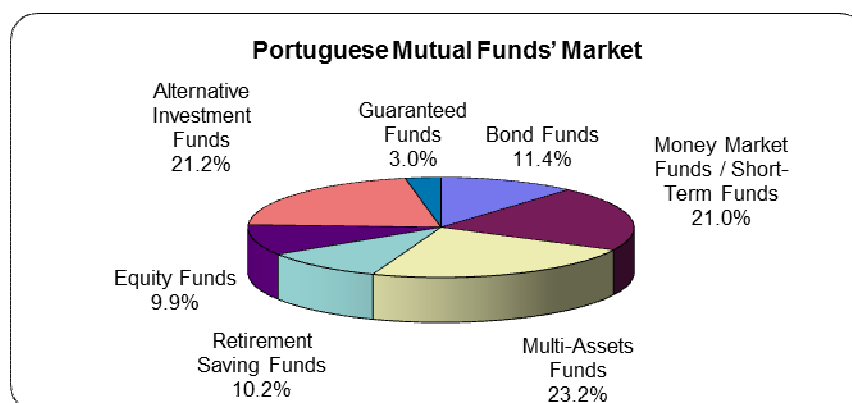
Management Company	July 2015		June 2015		December 2014		Monthly Change (%)	Change Year-to-date (%)
	Million €	Share	Million €	Share	Million €	Share		
Caixagest	4,027.6	35.3%	3,936.3	33.9%	3,662.8	31.6%	2.3%	10.0%
BPI Gestão de Activos	2,053.1	18.0%	1,973.6	17.0%	1,908.4	16.5%	4.0%	7.6%
Santander Asset Management	1,631.6	14.3%	1,960.4	16.9%	1,669.6	14.4%	-16.8%	-2.3%
Millennium BCP Gestão de Activos	1,545.9	13.5%	1,545.1	13.3%	1,467.8	12.7%	0.1%	5.3%
GNB - SGFIM	534.1	4.7%	546.0	4.7%	965.1	8.3%	-2.2%	-44.7%
Banif Gestão de Activos	516.5	4.5%	527.6	4.5%	495.0	4.3%	-2.1%	4.3%
Crédito Agrícola Gest	395.1	3.5%	385.0	3.3%	396.0	3.4%	2.6%	-0.2%
Montepio Gestão de Activos	264.7	2.3%	278.7	2.4%	351.9	3.0%	-5.0%	-24.8%
Popular Gestão de Activos	167.3	1.5%	160.9	1.4%	138.9	1.2%	4.0%	20.4%
Dunas Capital - Gestão de Activos	73.2	0.6%	75.2	0.6%	103.2	0.9%	-2.6%	-29.1%
Optimize Investment Partners	70.3	0.6%	67.3	0.6%	55.3	0.5%	4.4%	27.2%
MNF Gestão de Activos	46.5	0.4%	46.5	0.4%	45.4	0.4%	0.0%	2.3%
MCO2	37.4	0.3%	37.0	0.3%	38.1	0.3%	1.0%	-1.8%
Barclays Wealth Managers Portugal	33.1	0.3%	33.3	0.3%	110.6	1.0%	-0.6%	-70.1%
Invest Gestão de Activos	13.1	0.1%	12.7	0.1%	11.4	0.1%	3.6%	14.5%
Patris Gestão de Activos	11.7	0.1%	11.7	0.1%	9.6	0.1%	0.0%	21.3%
BBVA Gest	1.8	0.0%	2.1	0.0%	151.8	1.3%	-15.2%	-98.8%
Total	11,422.9	-	11,599.4	-	11,581.1	-	-1.5%	-1.4%

BPI Gestão de Activos was the Management Company that recorded the highest net sales in July 2015, with EUR 71.1 million, followed by Caixagest, with EUR 71.0 million, and by Crédito Agrícola Gest, with EUR 10.4 million.

Since end December 2014, Caixagest is the Management Company with the largest inflows, with total net sales amounting to EUR 294.9 million, followed by BPI Gestão de Activos, with EUR 101.9 million, and by Banif Gestão de Activos, with EUR 40.6 million.

Management Company	Net Sales in July 2015 (EUR Million)	Net Sales since the beginning of the year (EUR Million)
BPI Gestão de Activos	71.1	101.9
Caixagest	71.0	294.9
Crédito Agrícola Gest	10.4	-7.8
Popular Gestão de Activos	5.5	23.6
Optimize Investment Partners	1.5	10.1
Banif Gestão de Activos	0.6	40.6
MNF Gestão de Activos	n.a.	-0.2
Patris Gestão de Activos	0.0	1.8
Invest Gestão de Activos	0.0	-0.2
Barclays Wealth Managers Portugal	-0.2	-78.2
BBVA Gest	-0.4	-153.2
Dunas Capital - Gestão de Activos	-2.4	-31.9
GNB - SGFIM	-14.9	-461.7
Montepio Gestão de Activos	-18.4	-102.4
Millennium BCP Gestão de Activos	-18.6	38.5
Santander Asset Management	-350.0	-70.5
<b>Total</b>	<b>-244.9</b>	<b>-394.8</b>

## Categories of Funds



Defensive Multi-Assets Funds are the largest category of Funds with the EUR 1,712.4 million of assets under management. Euro Money Market Funds ranks second, with EUR 1,546.1 million, followed by PPR Funds with 1,163.8 million.

International Bond Funds registered the highest growth with an 8.8 percent increase over the previous month (EUR 4.6 million), while the largest growth in total net assets belonged to Euro Money Market Funds that increased EUR 59.9 million (4.0 percent).



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Since end December 2014, Defensive Multi-Assets Funds registered the highest growth, both in percentage, with 59.6 percent and in value, with EUR 636.1 million.

Category of Funds	July 2015		June 2015		December 2014		Monthly Change (%)	Change Year-to-date (%)
	Million €	Share	Million €	Share	Million €	Share		
Defensive Multi-Assets Funds	1,712.4	15.0%	1,691.6	14.6%	1,073.2	9.3%	1.2%	59.6%
Euro Money Market Funds	1,546.1	13.5%	1,486.1	12.8%	1,297.1	11.2%	4.0%	19.2%
PPR Funds	1,163.8	10.2%	1,134.1	9.8%	984.2	8.5%	2.6%	18.2%
Euro Floating Rate Bond Funds	894.2	7.8%	1,229.1	10.6%	1,299.8	11.2%	-27.3%	-31.2%
Euro Short Term Funds	828.7	7.3%	827.8	7.1%	902.2	7.8%	0.1%	-8.1%
Money Market AIF	678.8	5.9%	674.5	5.8%	739.6	6.4%	0.6%	-8.2%
Other AIF	562.1	4.9%	560.2	4.8%	567.3	4.9%	0.3%	-0.9%
Flexible Funds	546.2	4.8%	515.2	4.4%	800.4	6.9%	6.0%	-31.8%
Short Term AIF	382.3	3.3%	397.4	3.4%	560.7	4.8%	-3.8%	-31.8%
Bond AIF	375.4	3.3%	390.9	3.4%	423.2	3.7%	-4.0%	-11.3%
Short Term Money Market AIF	346.0	3.0%	343.8	3.0%	452.7	3.9%	0.6%	-23.6%
Euro Bond Funds	343.1	3.0%	342.9	3.0%	463.1	4.0%	0.0%	-25.9%
E.U., Switzerland and Norway Equity Funds	311.6	2.7%	304.5	2.6%	315.5	2.7%	2.3%	-1.2%
Other International Equity Funds	303.6	2.7%	292.4	2.5%	228.9	2.0%	3.8%	32.6%
Balanced Multi-Assets Funds	302.0	2.6%	293.3	2.5%	196.9	1.7%	3.0%	53.4%
Domestic Equity Funds	242.8	2.1%	236.5	2.0%	230.4	2.0%	2.7%	5.4%
Guaranteed Funds	199.2	1.7%	199.7	1.7%	364.3	3.1%	-0.2%	-45.3%
North America Equity Funds	186.6	1.6%	178.2	1.5%	158.1	1.4%	4.7%	18.0%
Structured Funds	141.6	1.2%	151.9	1.3%	175.2	1.5%	-6.8%	-19.2%
Aggressive Multi-Assets Funds	93.6	0.8%	89.6	0.8%	73.7	0.6%	4.4%	27.0%
Sector Equity Funds	75.2	0.7%	72.7	0.6%	68.2	0.6%	3.4%	10.3%
International Bond Funds	57.0	0.5%	52.4	0.5%	36.8	0.3%	8.8%	54.9%
Other Funds	42.5	0.4%	45.8	0.4%	74.4	0.6%	-7.2%	-42.9%
Absolute Return AIF	34.4	0.3%	34.3	0.3%	33.7	0.3%	0.5%	2.3%
Flexible AIF	24.1	0.2%	24.2	0.2%	27.0	0.2%	-0.4%	-10.6%
Multi-Assets AIF	12.0	0.1%	12.0	0.1%	11.2	0.1%	-0.2%	6.5%
PPA Funds	10.3	0.1%	10.2	0.1%	14.0	0.1%	1.9%	-25.9%
Equity AIF	5.5	0.0%	6.1	0.1%	7.5	0.1%	-9.8%	-26.8%
Index Funds	1.8	0.0%	2.1	0.0%	1.8	0.0%	-15.2%	-4.9%
Total	11,422.9	-	11,599.4	-	11,581.1	-	-1.5%	-1.4%

Notes: Series adjusted due to the change of some funds' classification.

PPR Funds – Retirement Saving Funds; PPA Funds – Equity Saving Funds; AIF – Alternative Investment Funds.

Euro Money Market Funds was the category of Funds that attracted most new money in July, registering EUR 60.5 million in net sales. Flexible Funds recorded a monthly inflow of EUR 30.3 million and net sales of PPR Funds totaled EUR 20.5 million.

Since December 2014, Defensive Multi-Assets Funds were the most demanded by investors, with total net sales of EUR 618.9 million, followed by Euro Money Market Funds, with EUR 247.5 million, and by PPR Funds, with EUR 155.4 million.

Category of Funds*	Net Sales in July 2015 (EUR Million)	Net Sales since the beginning of the year (EUR Million)
Euro Money Market Funds	60.5	247.5
Flexible Funds	30.3	-274.9
PPR Funds	20.5	155.4
Other International Equity Funds	6.9	54.4
Balanced Multi-Assets Funds	5.4	95.7
Money Market AIF	4.2	-61.8
International Bond Funds	4.0	19.1
Aggressive Multi-Assets Funds	2.8	14.1
Short Term Money Market AIF	2.2	-106.8
North America Equity Funds	2.1	10.8
Euro Short Term Funds	0.4	-75.9
Defensive Multi-Assets Funds	0.2	618.9
Multi-Assets AIF	0.0	0.0
Absolute Return AIF	0.0	-0.7
Other AIF	-0.1	-22.2
Equity AIF	-0.1	-1.5
PPA Funds	-0.1	-6.2
Flexible AIF	-0.2	-3.4
Index Funds	-0.4	-0.5
Guaranteed Funds	-1.1	-164.4
Domestic Equity Funds	-1.2	-25.8
Sector Equity Funds	-1.6	-5.7
Bond AIF	-2.9	-28.7
Other Funds	-3.4	-32.5
Euro Bond Funds	-4.5	-124.1
E.U., Switzerland and Norway Equity Funds	-5.5	-47.9
Structured Funds	-10.4	-36.0
Short Term AIF	-15.2	-179.2
Euro Floating Rate Bond Funds	-337.6	-412.6
Total	-244.9	-394.8

Note: Series adjusted due to the change of some funds' classification.

\* - In July 2015 were not included the values of subscriptions and redemptions of the Funds managed by MNF Gestão de Activos since they are not available yet.



## Fund's performance during the 12 month period ending on July 31, 2015<sup>3</sup>

Categories with the largest assets under management on July 31, 2015:

Category of Funds	Assets under management <sup>4</sup>	Average Return <sup>5</sup>	Funds <sup>6</sup>	Management Company	Assets under management <sup>7</sup>	Annuali. Return <sup>8</sup>	Risk Class <sup>9</sup>
Defensive Multi-Assets Funds	1,712.36	3.66%	Santander Private Moderado	Santander Asset Management	88.46	6.83%	4
			Santander Select Moderado	Santander Asset Management	134.78	6.20%	4
Euro Money Market Funds	1,546.07	0.33%	CA Monetário	Crédito Agrícola Gest	107.72	0.75%	1
			Caixagest Liquidez	Caixagest	1419.41	0.30%	1
PPR Funds	1,163.77	3.29%	Optimize Capital Reforma PPR Acções	Optimize Investment Partners	14.86	14.25%	4
			Optimize Capital Reforma PPR Equilibrado	Optimize Investment Partners	16.70	9.47%	4

Categories with the highest average return<sup>5</sup>:

Category of Funds	Assets under management <sup>4</sup>	Average Return <sup>5</sup>	Funds <sup>6</sup>	Management Company	Assets under management <sup>7</sup>	Annuali. Return <sup>8</sup>	Risk Class <sup>9</sup>
North America Equity Funds	186.65	27.57%	BPI América	BPI Gestão de Activos	27.81	29.12%	6
			Caixagest Acções EUA	Caixagest	103.65	28.13%	6
Sector Equity Funds	75.19	21.36%	Montepio Euro Helthcare	Montepio Gestão de Activos	15.32	28.47%	5
			Montepio Euro Telcos	Montepio Gestão de Activos	7.52	27.79%	5
E.U., Switzerland and Norway Equity Funds	311.62	14.22%	Montepio Acções Europa	Montepio Gestão de Activos	12.06	19.72%	5
			Popular Acções	Popular Gestão de Activos	8.86	16.35%	5

Funds with the highest return<sup>8</sup>:

Funds	Category of Funds	Management Company	Assets under management <sup>7</sup>	Annuali. Return <sup>8</sup>	Risk Class <sup>9</sup>
BPI América	North America Equity Funds	BPI Gestão de Activos	27.81	29.12%	6
Montepio Euro Helthcare	Sector Equity Funds	Montepio Gestão de Activos	15.32	28.47%	5

The yields published represent past data, and do not constitute a guarantee of future returns, since the value of the units may increase or decrease in accordance with the level of risk, which varies between 1 (minimum risk) and 7 (maximum risk).

<sup>3</sup> - Closed-ended Mutual Funds are not considered in this analysis.

<sup>4</sup> - Assets under management by all the Funds of the Category, in EUR million.

<sup>5</sup> - Average return weighted by the total net assets of each Fund in the previous month.

<sup>6</sup> - Funds with the highest return within each category.

<sup>7</sup> - Assets under management by the Fund, in EUR million.

<sup>8</sup> - Annualized Return of the last 12 months.

<sup>9</sup> - Class Risk in the last 12 months (Based on the registered volatilities and in accordance with the following classes: 1 – 0% a 0,5%; 2 – 0,5% a 2%; 3 – 2% a 5%; 4 – 5% a 10%; 5 – 10% a 15%; 6 – 15% a 25% e 7 – Greater than 25%).