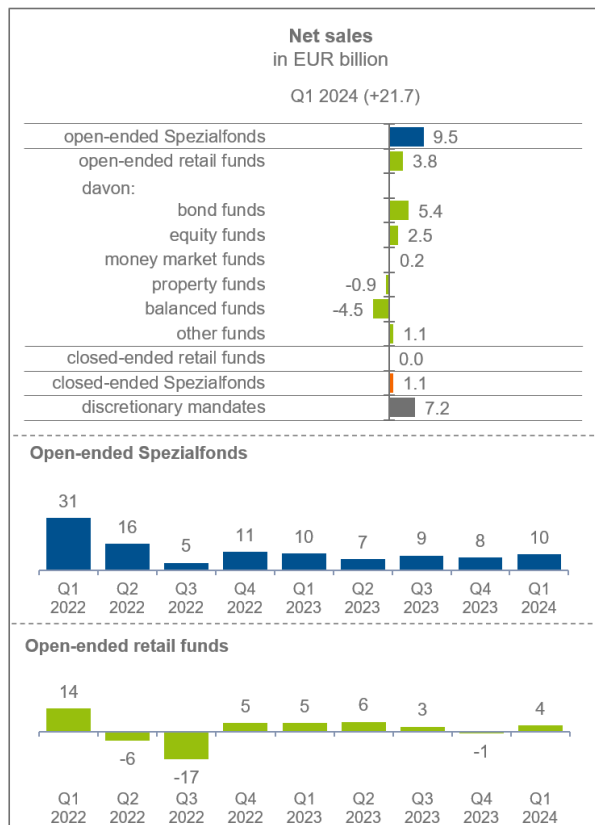
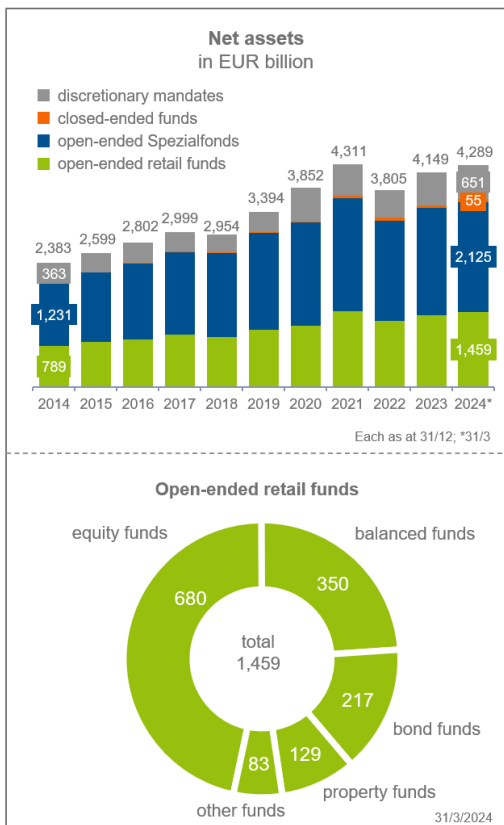


German fund industry grows by 9 per cent year-on-year

- **Equity funds are the largest group**
- **Bond funds top the sales list**
- **Spezialfonds: Outsourcing of portfolio management is widespread**

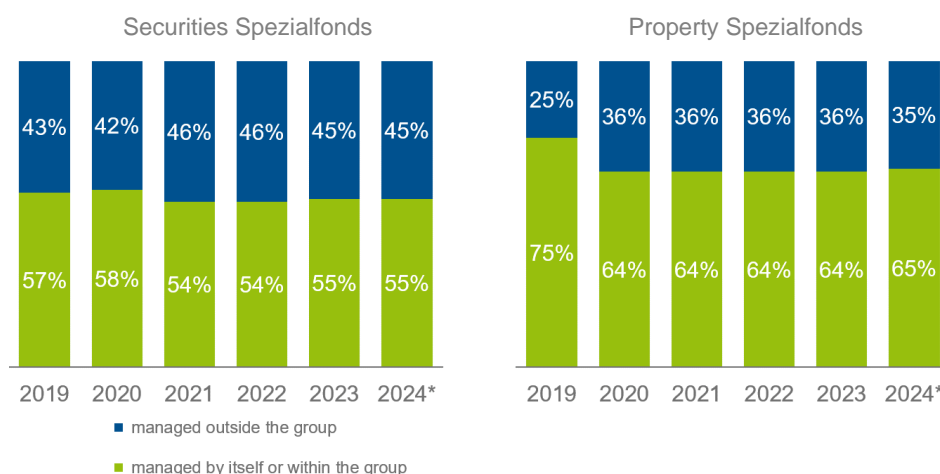
Frankfurt – 15 May 2024. Fund companies had a total of EUR 4,289 billion AuM for investors in Germany as at 31 March 2024, an increase of nine per cent in the last twelve months (31 March 2023: EUR 3,922 billion). This means that assets are only slightly below the all-time high of EUR 4,311 billion at the end of 2021. The majority, at EUR 2,125 billion, is attributable to open-ended Spezialfonds for institutional investors. These are primarily retirement benefit schemes (EUR 748 billion) and insurance companies (EUR 543 billion). The fund companies manage EUR 1,459 billion in open-ended retail funds. Equity funds account for EUR 680 billion of this total. Their share has risen from 36 to 47 per cent in the last five years, mainly due to the rise in stock prices. Next come balanced funds with EUR 350 billion and bond funds with EUR 217 billion. Their share fell from 28 to 24 per cent and 20 to 15 per cent respectively. The net assets of property funds totalled EUR 129 billion.



BVI's statistic shows assets totalling EUR 55 billion in closed-ended funds. Five years ago, the figure was EUR 10 billion. In mandates, the fund companies manage EUR 651 billion.

In the first quarter of 2024, the fund industry received a net inflow of EUR 21.7 billion in Germany. Open-ended Spezialfonds accounted for EUR 9.5 billion of this. Open-ended retail funds attracted EUR 3.8 billion. This is above the average value for the quarters in 2023 (EUR 3.2 billion). From the beginning of January to the end of March 2024, ETFs contributed EUR 5.4 billion (thereof EUR 3.6 billion equity ETFs and EUR 1.9 billion bond ETFs), while actively managed funds saw an outflow of EUR 1.6 billion. Looking at the asset classes, bond funds are in the lead. Their new business totalling EUR 5.4 billion is attributable to funds with a focus on short-term bonds, i.e. with a (remaining) term of up to three years (EUR 3.4 billion). This is followed by equity funds with inflows of EUR 2.5 billion and capital protected funds with EUR 1.2 billion. Outflows from balanced funds have continued since mid-2022. In the first quarter, EUR 4.5 billion flowed out. Investors withdrew EUR 0.9 billion from property funds after a net outflow of EUR 0.8 billion in the fourth quarter of 2023. Closed-ended funds received EUR 1.1 billion in new money, while mandates recorded inflows of EUR 7.2 billion.

**Portfolio management of open-ended Spezialfonds
in-house or by third party
in terms of AuM**



Each as at 31/12; *31/3

The outsourcing of portfolio management to external asset managers is widespread for Spezialfonds. For securities funds, this amounts to 45 per cent of the assets under management. This is due to the fact that many Spezialfonds are set up by a so-called Master-KVG. These funds bundle single segments with different investment objectives.

Specialised asset managers are thus able to manage the assets in the segments independently of each other. Investors benefit in particular from standardised reporting and centralised risk management across all funds by the fund company. On average, a master fund has more than four segments. In the case of property Spezialfonds, the outsourcing of portfolio management has gained momentum in recent years and is gradually approaching the usual scale of securities funds. In the meantime, managers outside the group manage 35 per cent of assets. By comparison: in 2018, this figure was 26 per cent.