

Statistical release

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New records set for fund savings in 2017

In 2017, a net total of SEK 112 billion was saved in investment funds. Together with an increase in value of nearly SEK 340 billion, this means that total net assets at the end of 2017 increased to the new all-time high level of SEK 4 018 billion.

The largest portion of new savings during the year went to equity funds, with net deposits of over SEK 47 billion. Also bond funds and balanced funds had net inflows, whereas money market funds recorded net withdrawals during 2017.

This is some of what is stated in the Swedish Investment Fund Association's annual report of fund savings in Sweden.

"2017 constitutes yet another strong year for investment funds. Total fund assets in Sweden increased by over SEK 450 billion and exceeded, at the end of the year, for the first time ever SEK 4 000 billion. The increase in assets consisted to about one quarter of new savings and to three quarters of value increase", says Johanna Kull, Financial Savings Economist at the Swedish Investment Fund Association

2017 in brief:

- **2017 became a very strong year for investment funds.** Total net savings amounted to SEK 112 billion in 2017, which corresponds to the third highest net inflow in a single year since the statistics began to be compiled in 1994. Net deposits were made primarily in equity funds, followed by bond funds and balanced funds.
- **During 2017, total fund assets under management in Sweden increased with over SEK 450 billion to SEK 4 018 billion,** which represents the highest AuM-figure ever recorded.
- **Most equity markets showed increases in value.** On average, equity funds (calculated in SEK) increased by 14 percent in value. Sweden funds recorded an average increase in value of 10 percent and global funds increased in value by an average of 12 percent. Highest returns in 2017 were shown in

Asia funds with China- and India funds in particular. Also sector funds with a focus on new technology performed very strongly in 2017.

- **Equity funds recorded a total net inflow of SEK 47.3 billion in 2017.** By far the largest deposits were made in global funds, with net inflows of SEK 46.5 billion. Also European funds, Asia funds and Sweden funds recorded net inflows, whereas net withdrawals were made from North America funds and Russia funds in 2017.
- **Savers interest in index funds remained very strong.** Almost 80 percent (SEK 37.4 billion) of the total net inflow into equity funds in 2017 went to index funds. At the end of the year, index funds accounted for nearly 16 percent of overall equity fund assets.
- **Balanced funds had continued net deposits throughout 2017,** and recorded a total net inflow of SEK 28.8 billion.
- **Bond funds also recorded large net deposits.** The total net inflow in 2017 amounted to SEK 34.3 billion, of which SEK 16 billion went to corporate bond funds.
- **Money market funds, on the other hand, had a net outflow** over the full year of SEK 3.2 billion.

Yearly Report: Fund Saving 2017

Premium pension deposits in December boosted the full-year net sales

In December, net sales of investment funds amounted to SEK 33.3 billion. Over SEK 37 billion constituted net inflows from the annual allocation to the premium pension. Equity funds recorded a net inflow of SEK 12.8 billion and balanced funds had net inflows of SEK 10.7 billion. Also Bond funds recorded net deposits of SEK 8.5 billion during the month.

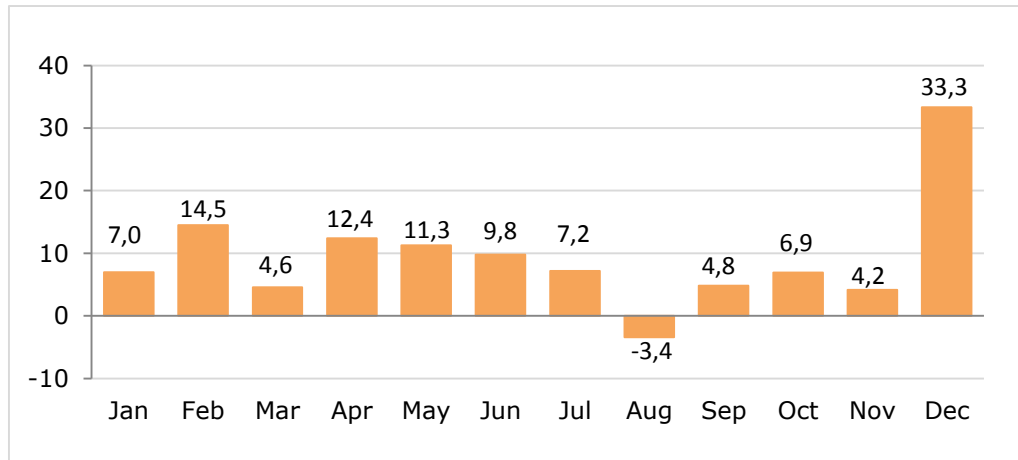
Excluding the premium pension provision made during the month, a net outflow from investment funds of SEK 4.1 was recorded in December. Balanced funds had net inflows of SEK 3.2 billion and bond funds recorded net deposits of SEK 0.7 billion. Also hedge funds and money market funds saw net inflows of SEK 0.7 respectively 0.2 billion. Equity funds, on the other hand, had a net outflow of SEK 9 billion (with the premium pension excluded).

Net sales of funds, SEK Billion			
	Dec 2017	Dec 2017 excl. PPM	Total 2017
Equity funds	12,8	-9,0	47,3
Balanced funds	10,7	3,2	28,8
Bond funds	8,5	0,7	34,3
Money market funds	0,5	0,2	-3,2
Hedge funds	0,7	0,7	4,5
Other funds	0,1	0,1	0,9
Total	33,3	-4,1	112,5

Full year 2017

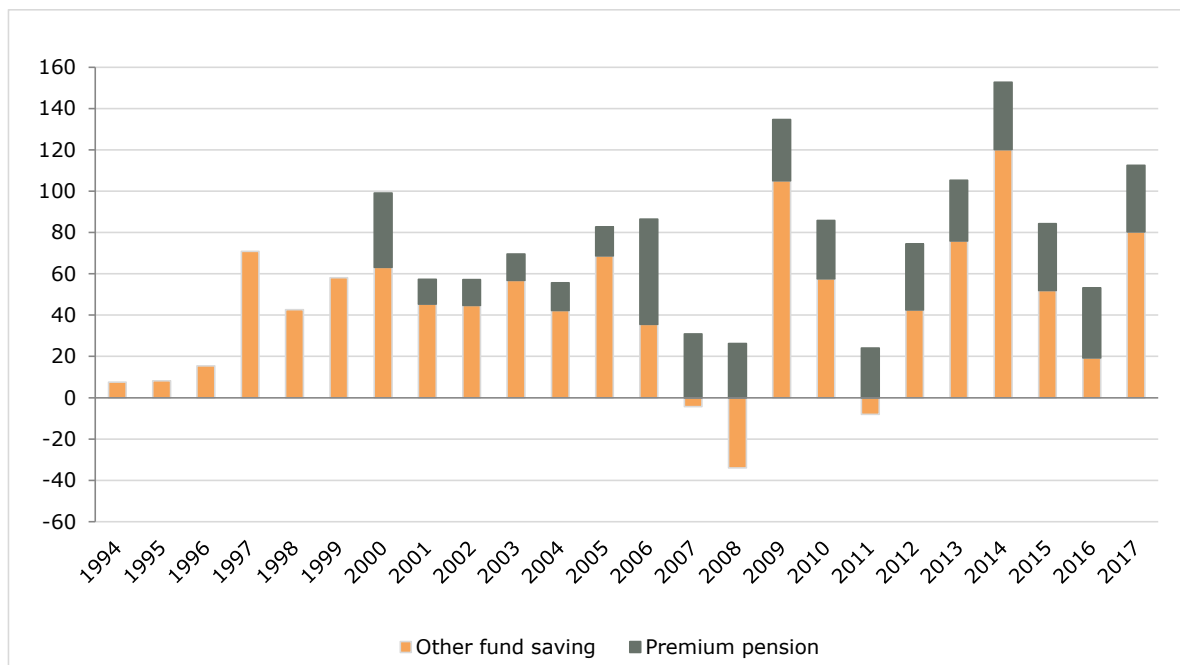
The net deposits made in December contributed to a total net sales of investment funds in 2017 of SEK 112 billion. Equity funds recorded net inflows of SEK 47.3 billion. Bond funds and balanced funds had net deposits of SEK 34.3 and 28.8 billion. Also hedge funds saw net inflows, whereas money market funds recorded net withdrawals of SEK 3.2 billion during the full year 2017.

Net sales of investment funds in 2017, SEK billion



Total net sales of SEK 112 billion in 2017 represents the third largest net inflow into investment funds in a single year since the association started compiling these figures in 1994. Consequently, the level of deposits for the last year is substantially higher than the historical average for the period 1994-2017 that amounts to around SEK 65 billion per year.

Net sales of investment funds 1994-2017, SEK billion



Rising stock prices for the sixth consecutive year and large inflows in equity funds

Despite the fact that also 2017 were influenced by political concerns, the development of most of the world's equity markets was strong.

The value of the Stockholm Stock Exchange, including dividends, increased in 2017 by nearly 10 percent and for investments in small- and medium-sized companies the performance was even a bit higher.

Equity funds recorded a total net inflow of SEK 47.3 billion during the year and the largest deposits, by far, were made in global funds with net inflows of SEK 46.5 billion. Also European funds, Asia funds and Sweden funds recorded net inflows in 2017. On the other hand, net withdrawals were made from North America funds, Russia funds and from the category Sweden & Global, which consists mainly of the old national savings funds ("Allemansfonderna").

Net sales and Net assets in equity funds 2017, SEK million				
	Net Sales		Net Assets 2017-12-31	Return 2017 (SEK), %
	December	Jan - Dec		
Sweden	-3 965	3 989	632 717	10
Nordic	-439	-2 099	78 794	12
Russia	-124	-7 105	16 212	-
Eastern Europe	196	-681	14 712	10
Europe	-884	7 707	105 797	16
Global	14 495	46 502	858 829	12
Sweden & Global	1 029	-4 378	244 683	12
North America	308	-12 893	104 148	9
India	-457	132	9 421	26
China	-268	2 410	13 602	32
Japan	-130	1 019	14 864	15
Asia	128	6 790	55 306	24
Other markets	504	3 343	86 943	20
Sector	2 423	2 521	119 785	10
Total equity funds	12 816	47 257	2 355 813	14
of which index funds	4 802	37 365	366 477	

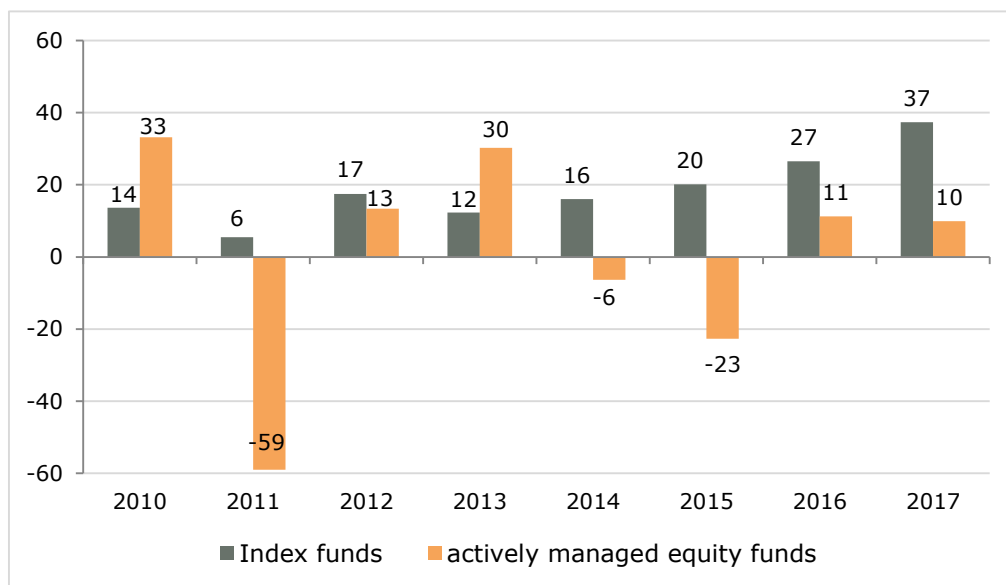
Source: SIFA and Morningstar fund index

Savers interest for index funds continues to increase

The interest for index funds has now been massive for several years. In 2017 net deposits in index funds amounted to 37.4 billion, equivalent to almost 80 percent of the total net inflow into equity funds during the year.

Since 2010, SEK 149 billion, out of the total net inflow of SEK 159 billion into equity funds, has been invested in index funds. As a result, the index funds' share of the total assets in equity funds has increased from 6 percent 2010 to nearly 16 percent at the end of 2017.

Net sales of actively managed equity funds and index funds 2010-2017, SEK billion



Net inflows into bond funds and corporate bond funds

In 2017, bond funds recorded a total net inflow of SEK 34.3 billion, of which SEK 16 billion (equivalent to 47 percent) constituted net deposits in corporate bond funds. By the end of 2017, total net assets in bond funds amounted SEK 390 billion, of which 125 billion, representing 32 percent, have been invested in corporate bond funds.

Net sales and Net assets in bond funds 2017, SEK million			
	Net Sales		Net Assets 2017-12-31
	December	Jan - Dec	
Corporate bond funds	-838	16 020	125 293
Other bond funds	9 382	18 257	264 774
Total bond funds	8 544	34 277	390 067

Investment fund returns in 2017

In 2017, the development (calculated in SEK) of most equity markets were positive and the value of equity funds increased on average with 14 percent. Balanced funds increased in value with 6.1 percent on average and bond funds had an average appreciation of 0.4 percent. Money market funds, on the other hand, had an average return also in 2017 that was negative (-0.4 percent).

Average return for different fund types (calculated in SEK), %				
	Equity funds	Balanced funds	Bond funds (SEK)	Money market funds (SEK)
2010	8	1	2,9	0,6
2011	-13	-5	7,5	2,1
2012	11	6	4,8	2,2
2013	17	9	0,9	1,4
2014	19	14	6,1	0,8
2015	5	3	-0,5	-0,2
2016	13	6	2,7	-0,2
2017	14	6	0,4	-0,4

Source: Morningstar fund index

Equity funds: Asia, with India and China in top in 2017

2017 was the sixth consecutive year with stock market up-turn and value increases were noted in most geographic markets.

In 2017, Sweden funds had an average return of 10 percent and global funds increased by 11.5 percent on average. Yet a slightly better return were shown in Nordic funds and European funds that rose, on average, 12 and 16 percent respectively. Among the fund categories with the absolute highest return during last year were Asian funds, with China- and India funds at the forefront. Among these fund types, the average value increase was up around 30 percent. Also sector funds with a focus on new technology performed very strongly in 2017. Russia funds on the other hand, which represented the best performing fund category in 2016, had a significantly weaker development in 2017. On average, Russian funds saw a marginally negative return and therefore belonged, together with funds investing in Africa & Middle East, energy and precious metals, to the fund categories with the weakest development in the past year.

Average return for different equity funds (calculated in SEK), %										
	Sweden	Nordic	Europe	Global	USA	Emerging markets	Asia	Latin-america	Eastern Europe	Russia
2010	25	18	0	4	7	12	12	11	13	24
2011	-16	-22	-13	-9	-1	-22	-19	-20	-29	-29
2012	15	17	16	9	6	14	15	6	17	7
2013	27	26	26	22	33	1	3	-15	-1	1
2014	16	15	12	23	32	14	28	4	-13	-36
2015	13	17	12	7	7	-3	2	-23	-1	11
2016	9	9	4	11	17	17	11	33	34	67
2017	10	12	16	12	9	20	24	12	10	0

Total fund assets in Sweden increased to a new record level

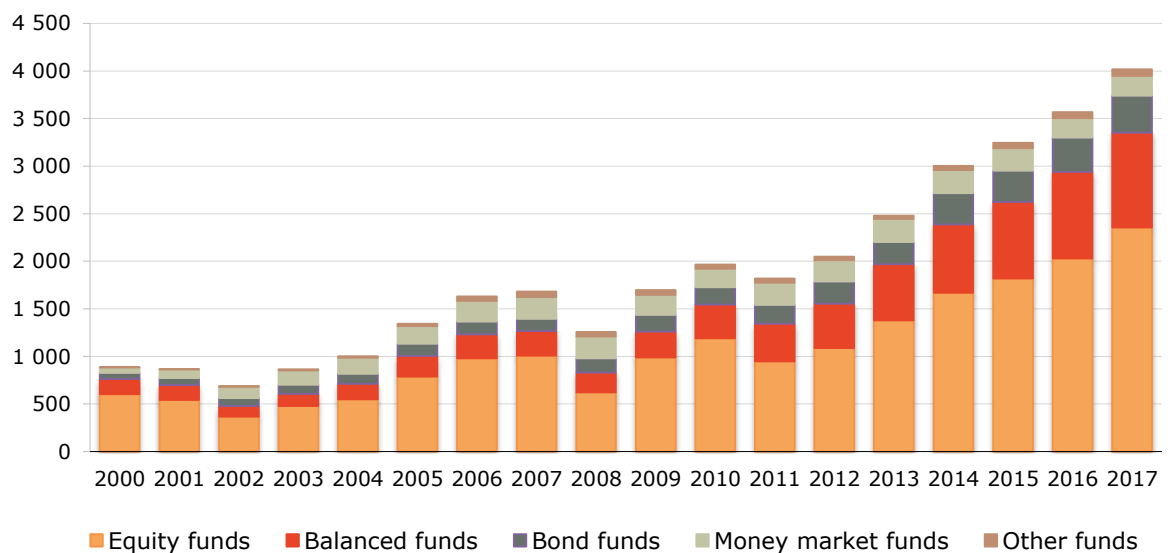
The total fund assets in Sweden increased in 2017 with SEK 450 billion and amounted at the end of the year to SEK 4 018 billion. This represents the highest AuM-figure ever recorded.

The asset growth in 2017 was predominantly comprised by value appreciation and by one fourth of net inflows during the year.

Fund assets, SEK Billion	
	December 2017-12-31
Equity funds	2 356
Balanced funds	995
Bond funds	390
Money market funds	207
Hedge funds	52
Other funds	19
Total	4 018

Of the total fund assets, SEK 2 356 billion (equivalent to 59 percent) are invested in equity funds.

The development of total fund assets in Sweden 2000-2017, SEK billion



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