

# Statistical release

STOCKHOLM 2019-01-17

## Fund savers sought lower risk during turbulent 2018

**In 2018, a net total of SEK 54.4 billion was invested in investment funds.**

**After a long period of rising stock prices, the equity market development slowed down during the second half of 2018, and much of the year was characterized by active fund savers making transfers from equity funds to less risky investment alternatives.**

**The largest part of this year's new savings went to short term fixed income funds and balanced funds, with net deposits of SEK 26 and 25 billion, respectively. Also long term fixed income funds showed net inflows, while equity funds recorded net withdrawals over the full year 2018.**

**At the end of 2018, the total net assets in Sweden amounted to SEK 3 978 billion, which represents a value decrease of about SEK 40 billion during the year.**

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

*“2018 was a fund- and stock market year with two faces. During the first months, fund investors chose to a greater extent funds with high equity exposure. While the longer the year went by and the market turbulence increased, safer investments, such as short term fixed income funds and balanced funds was preferred”, says Gustav Sjöholm, Financial Savings Economist at the Swedish Investment Fund Association*

2018 in brief:

- **Nearly SEK 55 billion was invested in investment funds during 2018.** Total net sales of investment funds amounted to SEK 54.4 billion in 2018. Net deposits were made primarily in short term fixed income funds and balanced funds.

- **Weak stock market development during the year** resulted in a decrease of the total fund assets in Sweden by about SEK 40 billion in 2018, and at year-end total AuM amounted to SEK 3 978 billion.
- **Most equity markets showed negative return in 2018.** On average, equity funds (calculated in SEK) decreased by 5.6 percent in value. Sweden funds recorded an average decrease in value of 5.4 percent and global funds decreased in value by an average of 3.1 percent. Among the fund categories with positive returns were various sector funds as well as US funds and Latin American funds, with Brazil funds at the forefront.
- **Equity funds recorded a total net outflow of SEK 6.8 billion in 2018.** The largest withdrawals were made from Sweden funds with net outflows of SEK 27.7 billion, followed by European funds showing a net outflow of SEK 10.7 billion. Global funds, on the other hand, recorded large net deposits of SEK 39 billion during the year.
- **Savers interest in index funds remained very strong.** Despite a total net outflow from equity funds of almost SEK 7 billion, index funds recorded net deposits of SEK 22.7 billion in 2018. At the end of the year, index funds accounted for nearly 17 percent of the total equity fund assets.
- **Balanced funds had continued net deposits throughout 2018,** and recorded a total net inflow of SEK 24.6 billion.
- **Also short term fixed income funds had large net deposits.** The total net inflow in 2018 amounted to SEK 25.7 billion,
- **Long term fixed income funds recorded a total net inflow of SEK 12.6 billion in 2018,** despite net outflows from corporate bond funds of SEK 4.8 billion.

## Yearly Report: Fund Saving 2018

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

**In December, net sales of investment funds amounted to almost SEK 30 billion. SEK 40 billion constituted net inflows from the annual allocation to the premium pension. Equity funds recorded a net inflow of SEK 15.3 billion and balanced funds had net inflows of SEK 8.6 billion. Also long term fixed income funds recorded net deposits of SEK 5.8 billion during the month.**

Excluding the premium pension provision made during the month, a net outflow from investment funds of SEK 10.2 was recorded in December.

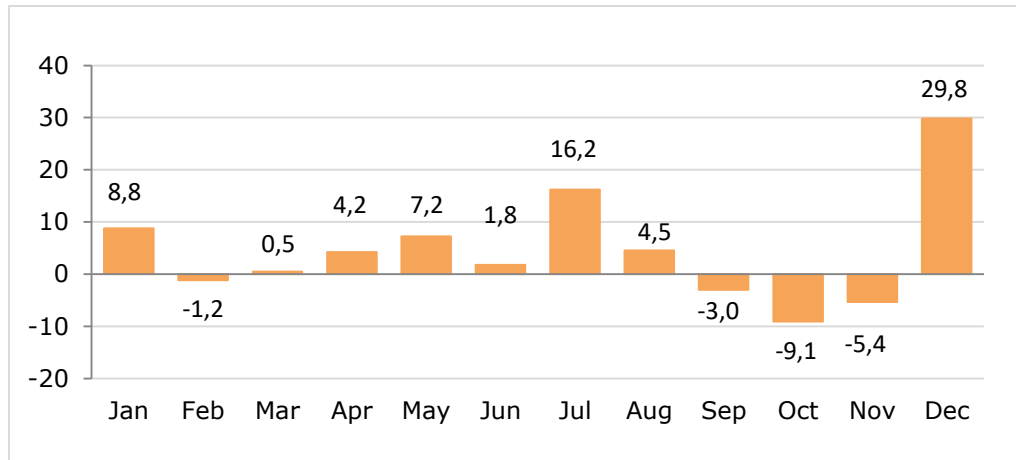
Short term fixed income funds had net inflows of SEK 2.1 billion and balanced funds recorded net deposits of SEK 1.3 billion. Equity funds, on the other hand, had a net outflow of SEK 11.3 billion. Also hedge funds and long term fixed income funds saw net withdrawals of SEK 1.8 respectively 0.7 billion with the premium pension excluded.

Net sales of funds, SEK Billion			
	Dec 2018	Dec 2018 excl. PPM	Total 2018
<b>Equity funds</b>	15,3	-11,3	-6,8
<b>Balanced funds</b>	8,6	1,3	24,6
<b>Long term fixed income funds</b>	5,8	-0,7	12,6
<b>Short term fixed income funds</b>	1,3	2,1	25,7
<b>Hedge funds</b>	-1,5	-1,8	-3,8
<b>Other funds</b>	0,3	0,3	2,1
<b>Total</b>	<b>29,8</b>	<b>-10,2</b>	<b>54,4</b>

### Full year 2018

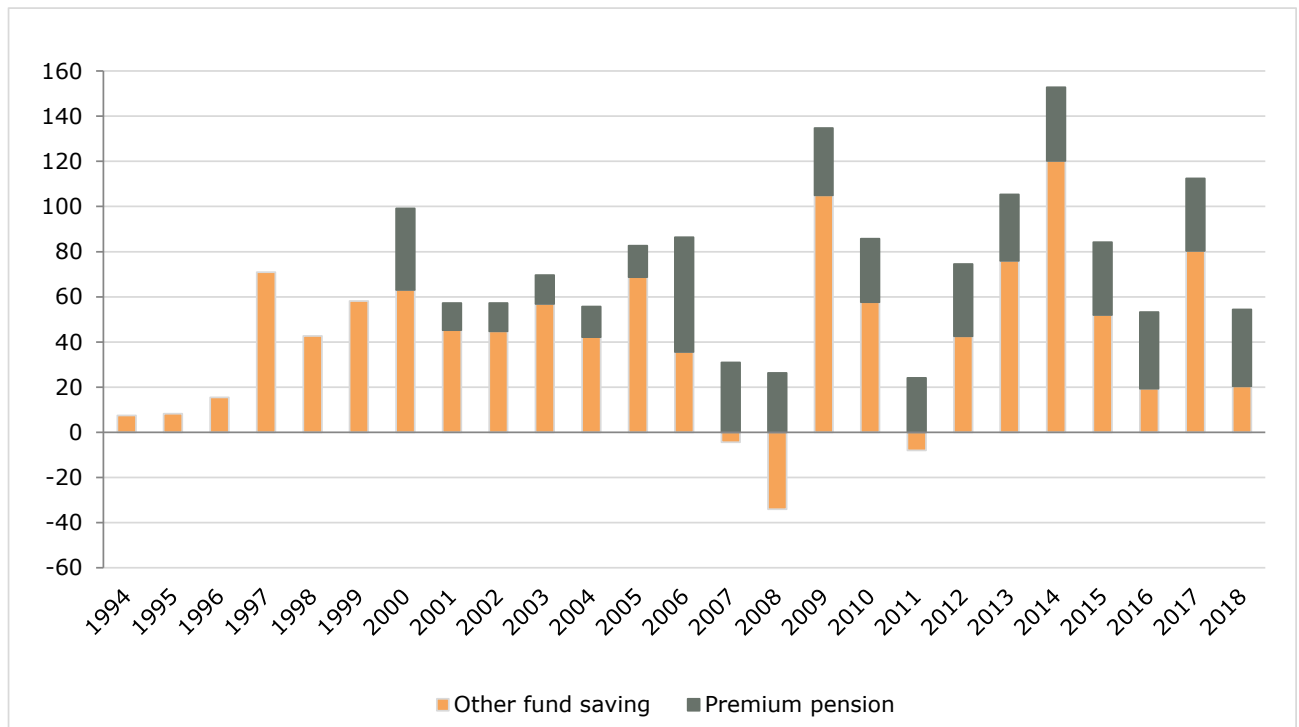
The net deposits made in December contributed to a total net sales of investment funds in 2018 of SEK 54.4 billion. The largest part of the net sales went to short term fixed income funds and balanced funds, with net deposits of SEK 25.7 and 24.6 billion, respectively. Also long term fixed income funds had a net inflow of SEK 12.6 billion in 2018. On the other hand, net withdrawals were made from equity funds and hedge funds of SEK 6.8 and 3.8 billion.

Net sales of investment funds in 2018, SEK billion



Total net sales of SEK 54.4 billion in 2018 represents a level of that is about SEK 10 billion lower than the historical average for the period 1994-2018 that amounts to around SEK 64 billion per year.

Net sales of investment funds 1994-2018, SEK billion



## Financial and political turbulence characterized 2018

**2018 was characterized by both financial and political concern. After a six-year period of rising stock prices, the equity market declined over the past year.**

Most equity markets showed a negative return and the value of the Stockholm Stock Exchange, including dividends, fell by just over 4 per cent in 2018.

Equity funds recorded a total net outflow of SEK 6.8 billion during the year and the largest withdrawals were made from Sweden funds with net outflows of SEK 27.7 billion. Also European funds recorded a net outflow of SEK 10.7 billion. Global funds, on the other hand, had large net deposits of SEK 39 billion during the year.

Net sales and Net assets in equity funds 2018, SEK million				
	Net Sales		Net Assets 2018-12-31	Return 2018 (SEK), %
	December	Jan - Dec		
Sweden	-893	-27 730	555 610	-5
Nordic	356	1 735	91 188	-7
Russia	-6	-1 390	14 142	-1
Eastern Europe	67	-1 437	10 747	-9
Europe	-549	-10 658	91 543	-10
		0		
Global	17 185	39 057	882 566	-3
Sweden & Global	854	-2 754	217 095	-4
North America	-3 197	1 989	108 331	1
India	119	-1 462	6 717	-3
China	-419	-2 427	10 982	-12
Japan	-131	759	13 254	-8
Asia	487	-3 329	45 827	-8
Other markets	153	-3 904	81 763	-7
Sector	1 270	4 704	128 318	-3
<b>Total equity funds</b>	<b>15 296</b>	<b>-6 847</b>	<b>2 258 083</b>	<b>-6</b>
of which index funds	-1 982	22 709	377 591	

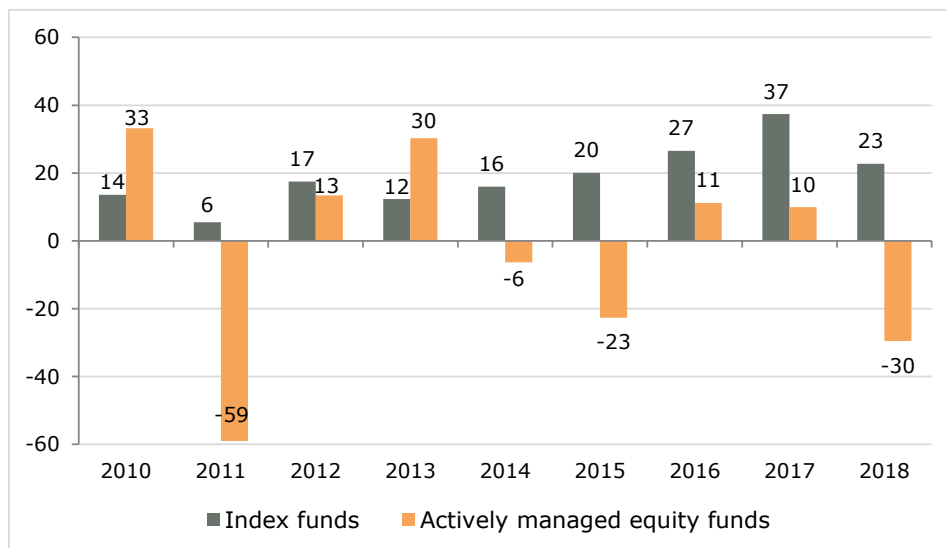
Source: SIFA and Morningstar fund index

## Savers interest for index funds continued

**The interest for index funds has now been massive for several years. Despite a total net outflow from equity funds of almost SEK 7 billion, index funds recorded net deposits of SEK 22.7 billion in 2018.**

Since 2010, SEK 172 billion have been invested in index funds. During the same period actively managed equity funds have, in fact, recorded a total net outflow of SEK 20 billion. As a result, the index funds' share of the total assets in equity funds has increased from 6 percent 2010 to nearly 17 percent at the end of 2018.

*Net sales of actively managed equity funds and index funds 2010-2018, SEK billion*



## Net inflows into long term fixed income funds but outflows from corporate bond funds

In 2018, long term fixed income funds recorded a total net inflow of SEK 12.6 billion. However, corporate bond funds had a net outflow during the year of SEK 4.8 billion. By the end of 2018, total net assets in long term fixed income funds amounted SEK 408 billion, of which 126 billion, representing 31 percent, have been invested in corporate bond funds.

**Net sales and net assets in long term fixed income funds 2018, SEK million**

	Net Sales		Net Assets 2018-12-31
	December	Jan - Dec	
Corporate bond funds	-3 403	-4 823	126 256
Other long term fixed income funds	9 185	17 451	281 512
<b>Total bond funds</b>	<b>5 782</b>	<b>12 628</b>	<b>407 768</b>

## Investment fund returns in 2018

In 2018, the development of most equity markets were negative and the value of equity funds (calculated in SEK) fell on average by 5.6 percent. Balanced funds decreased in value with 2.4 percent on average and money market funds had an average depreciation of 0.5 percent. Bond funds, on the other hand, had an average positive return of 0.7 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
2018	-6	-2	0,7	-0,5

Source: Morningstar fund index

## Equity funds: Long-lasting stock market upturn broken in 2018

**2018 was the first year in a very long time with a negative stock market development and value decreases were noted in most geographic markets.**

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
2018	-5	-7	-10	-3	1	-7	-8	1	-9	-1

In 2018, global funds had an average return of -3.1 percent and Sweden funds decreased by 5.4 percent on average. Yet a slightly worse return were shown in Nordic funds and European funds that fell, on average, 7.1 and 10 percent respectively. Also Eastern European funds and Asian funds had a decline in value of about 10 percent in 2018. Among the fund categories with positive returns were various sector funds as well as US funds and Latin American funds, with Brazil funds at the forefront.

## Total fund assets in Sweden decreased slightly during 2018

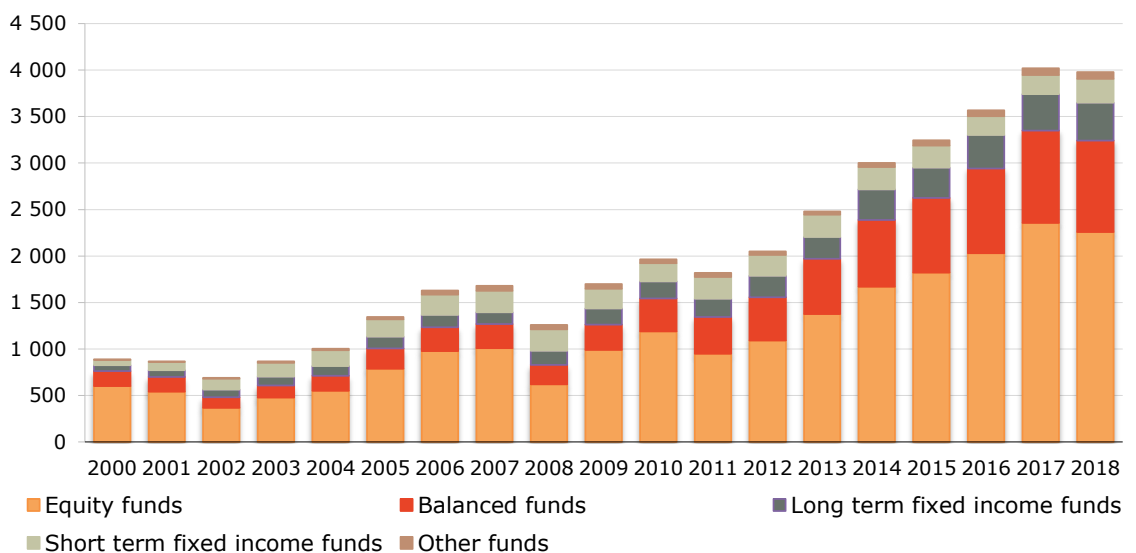
**The total fund assets in Sweden decreased during 2018 with SEK 40 billion and amounted at the end of the year to SEK 4 978 billion.**

The AuM-decline over the past year represents less than one per cent of the total fund assets in Sweden.

Of the total fund assets, SEK 2 258 billion (equivalent to 57 percent) are invested in equity funds.

Fund assets, SEK Billion	
	December 2018-12-31
<b>Equity funds</b>	2 258
<b>Balanced funds</b>	983
<b>Long term fixed income funds</b>	408
<b>Short term fixed income funds</b>	256
<b>Hedge funds</b>	54
<b>Other funds</b>	20
<b>Total</b>	<b>3 978</b>

*The development of total fund assets in Sweden 2000-2018, SEK billion*





For further comments please contact:

**Gustav Sjöholm**, the Swedish Investment Fund Association  
+46 (0)76-540 05 07  
[gustav.sjoholm@fondbolagen.se](mailto:gustav.sjoholm@fondbolagen.se)

For information regarding the statistics please contact:

**Fredrik Pettersson**, Chief Analyst, the Swedish Investment Fund Association  
+46 (0)8 506 988 03 / +46 (0)733-12 55 77  
[fredrik.pettersson@fondbolagen.se](mailto:fredrik.pettersson@fondbolagen.se)

**Fredrik Hård**, the Swedish Investment Fund Association  
+46 (0)8-506 988 08  
[fredrik.hard@fondbolagen.se](mailto:fredrik.hard@fondbolagen.se)

#### Members of the Swedish Investment Fund Association:

Aktie-Ansvar, Alfred Berg Fonder, AMF Fonder, Avanza Fonder, Aviva Investors, BMO Global Asset Management, Carnegie Fonder, Catella Fonder, Cicero Fonder, Danske Invest, Didner & Gerge Fonder, DNB, East Capital, Eligo Asset Management, Enter Fonder, FCG Fonder, Fidelity International, FIM Fonder, First State Investments, Franklin Templeton Investments, Handelsbanken Fonder, Healthinvest Partners, Holberg Fonder, HSBC Global Asset Management, ISEC Services, J.P. Morgan Asset Management, Lannebo Fonder, Länsförsäkringar Fondförvaltning, Monyx, Movestic Kapitalförvaltning, Naventi Fonder, Navigera, Norama, Nordea Fonder, Odin Fonder, SEB Investment Management, Simplicity, Skagen Fonder, Skandia Fonder, Spiltan Fonder, SPP Fonder, Strand Kapitalförvaltning, Swedbank Robur Fonder, Söderberg & Partners Asset Management, Tundra Fonder, Xact Kapitalförvaltning, Ålandsbanken Fondbolag, Öhman Fonder.

#### Associate members

Advokatfirman Evander, Apriori Advokatbyrå, Bloomberg LP, Citi, Deloitte, EY, Gernandt & Danielsson Advokatbyrå, Harvest Advokatbyrå, KPMG, MFEX, Morningstar, PwC, SEB Fund Services, Wesslau Söderqvist Advokatbyrå.