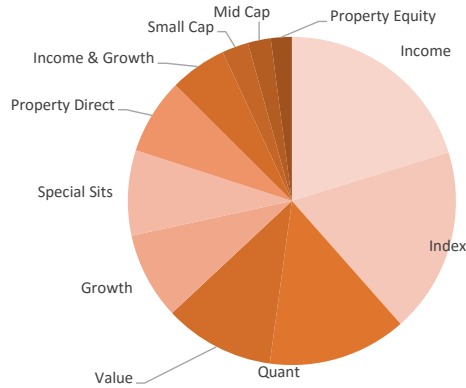
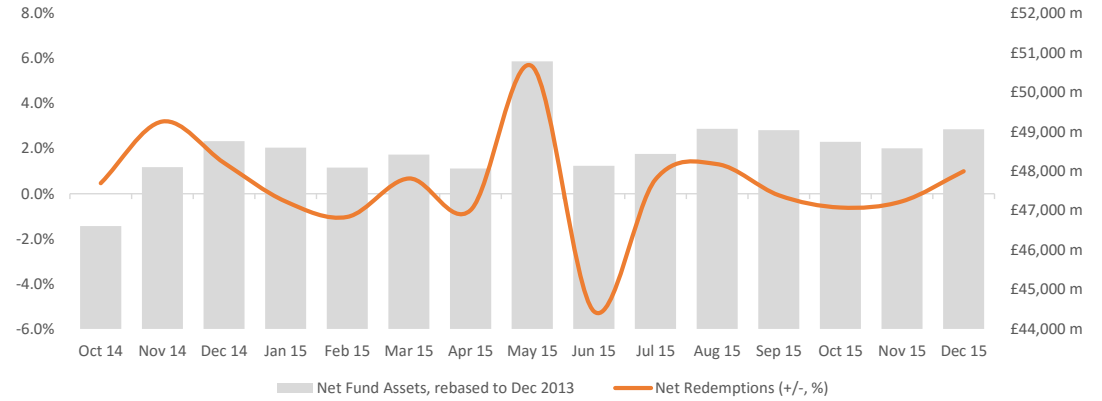


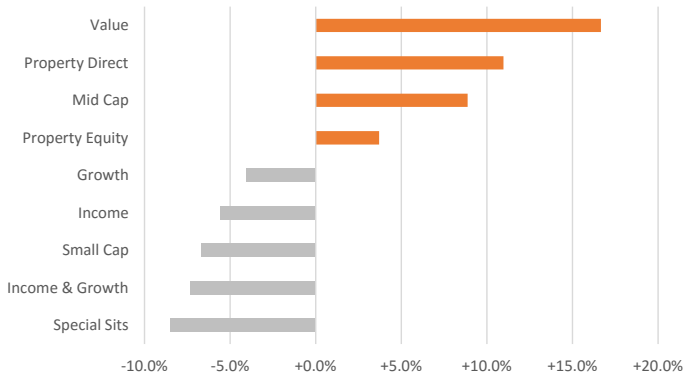
Mandate Split



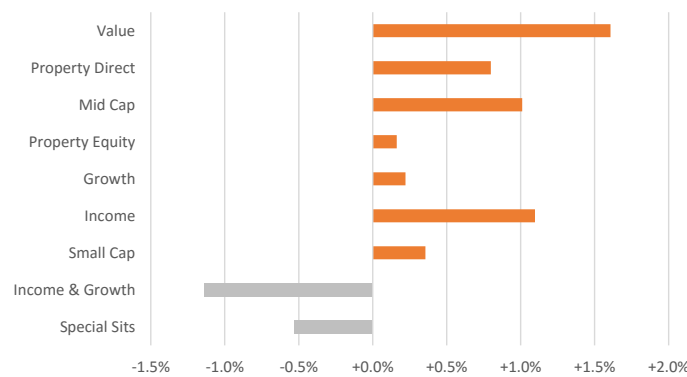
Top 20 Index Funds - net fund flows



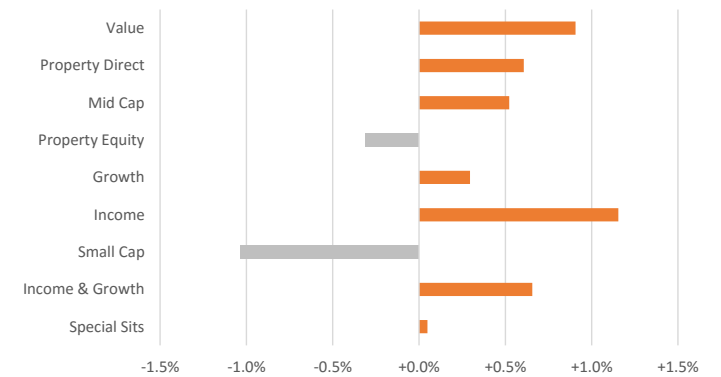
Last 12 months - net fund flows by active mandate



Last 3 Months - net fund flows by active mandate



Last Month - net fund flows by active mandate



Underlying data sourced from Bloomberg, IPREO, fund factsheets and KIIDs

Commentary

The downward trend of outflows from UK equities that we saw in October 2015, as measured by **Index** funds, reversed in December. This trend was also mirrored among active mandates.

Looking further at active mandates, **Value** and **Property Direct** recorded the highest inflows, suggesting that investors are still generally wary of near-term economic growth and are instead seeking returns from undervalued assets. This attitude may have softened in November/December as riskier mandates like **Growth** and **Small Cap** began to see inflows. Notable also was **Income**'s return to net inflows after a quarter of continual net outflows. **Special Sits** remains pressured, but as we've seen previously this mandate class is dominated by a few larger funds and is therefore particularly sensitive to individual fund performance.

Mid Cap funds continued to see good inflows at the end of 2015. We still believe that this is reflective of the lower commodity weighting outside the FTSE 100 as well as lower perceived growth among large caps.

In October we suggested that investors still appeared to be favouring lower, but more visible returns at the expense of riskier, longer term capital derived returns. We believe that this is still the case, however it appears that in December investors' desire for risk showed signs of returning. With an uncertain macro environment it will be interesting to see if this trend continues.

