

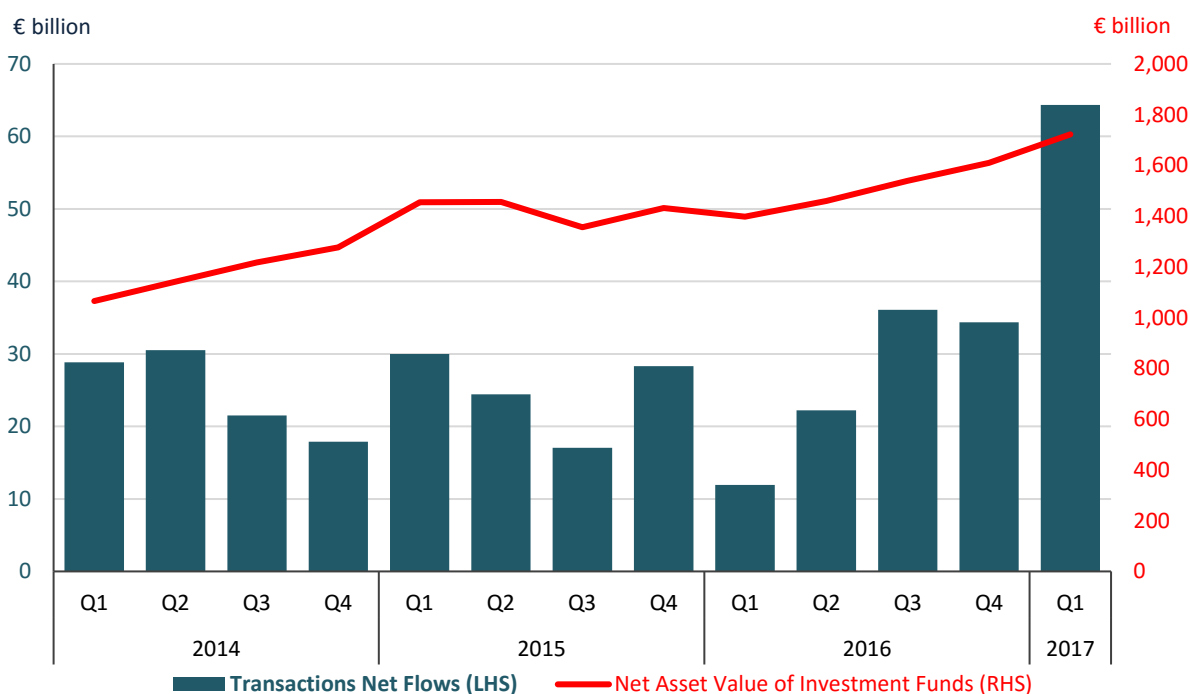
## Investment Funds – Q1 2017

### Key Points

- The net asset value (NAV) of investment funds (IFs) resident in Ireland increased by 7 per cent (€115 billion) over Q1 2017, reaching €1,721 billion. The total value of assets held by IFs increased by €157 billion to €2,096 billion.
- Q1 2017 saw inflows of €64 billion, more than twice the amount of Q4 2016. Across fund types, bond funds were the primary driver accounting for 53 per cent (€34 billion) of net inflows.
- Exchange traded funds added €27 billion to their net asset value between end-December 2016 and end-March 2017 and now account for 18% of the total net asset value of resident IFs.

The NAV of IFs resident in Ireland increased by 7 per cent (€115 billion) over the first quarter of 2017 reaching €1,721 billion (Chart 1). This was due to revaluations of €51 billion and inflows of €64 billion during the quarter, more than double the previous quarter’s figure of €29 billion; the inflows during Q1 2017 stand as a record high for the series. Bond funds had the largest net investor inflows, of €34 billion, while equity funds saw the largest revaluation, amounting to €34 billion.

**Chart 1: - Net Asset Value of Investment Funds Resident in Ireland**



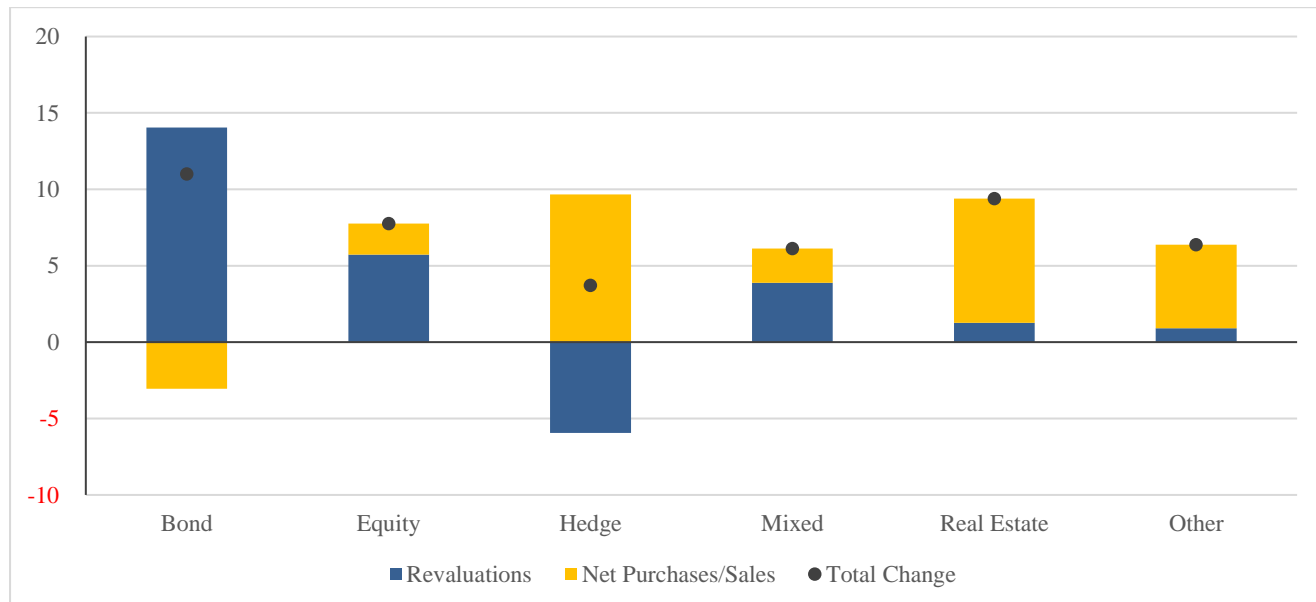
Source: Investment Funds Statistics, Central Bank of Ireland.

Note: In Q3 2015, there was a reclassification of funds from Bond to Money Market funds resulting in a decrease of €30 billion in bond funds total assets

Total assets of Irish IFs increased by 8 per cent from Q4 2016, amounting to €2,096 billion at end-March. Growth in total assets varied across fund types. Bond and equity funds saw the largest increases (11 and 8 per cent, respectively). The growth in the assets of bond funds was driven by revaluations of €89 billion, with large revaluations of derivative positions. Similarly, revaluations of €36 billion drove the €49 billion growth in the total assets of equity funds; revaluations for equity funds were driven by buoyant equity markets. Despite negative revaluations, hedge funds’ total assets grew by 4 per cent, driven by investor inflows. Real

estate, other and mixed funds saw 9 per cent, 6 per cent and 6 per cent increases in total assets, mainly driven by investor inflows (see Chart 2).

**Chart 2: - Percentage growth in total assets by fund type since Q4 2016, with breakdown of revaluations and net transactions.**

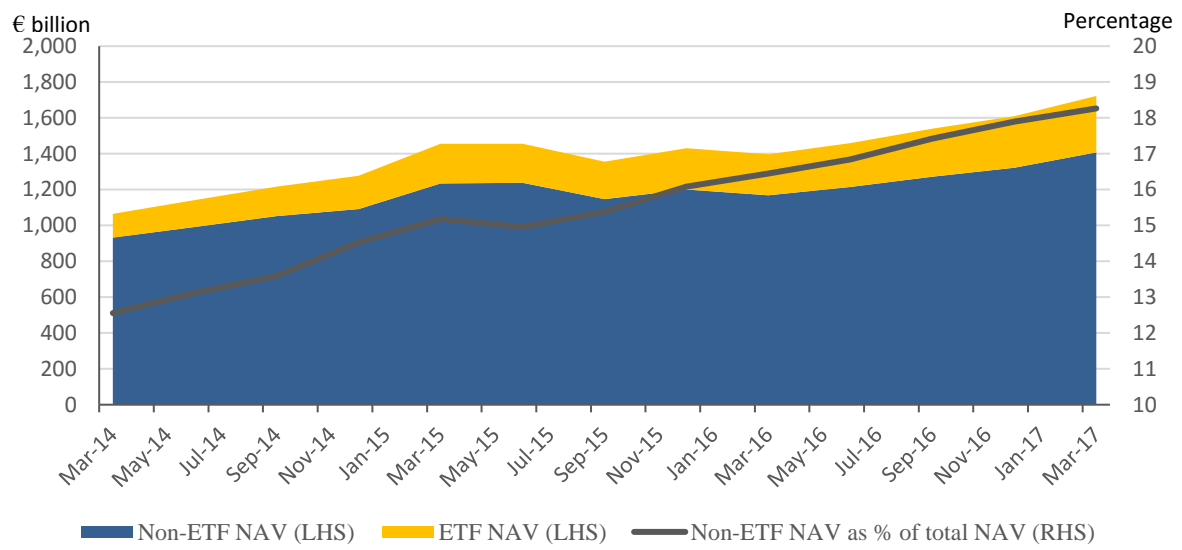


The equity holdings of all funds experienced large positive revaluations of €35 billion between Q4 2016 and Q1 2017, reflecting trends in global equity prices, with US equities seeing the largest revaluation of €10 billion. Equities issued by Non-Financial Corporations were the main driving factor, appreciating by €31 billion, or 6 per cent, from end-December 2016.

While bond funds saw a large positive revaluation in their total assets, the debt security holdings of Irish IFs recorded a small positive revaluation over the quarter. Fund purchases of €44 billion drove recorded growth of €50 billion in debt security holdings, with purchases concentrated in UK (€13 billion) and US (€13 billion) debt. Of the new investment in UK and US debt securities, €17 billion related to the government sector. In contrast, holdings of euro area government debt fell slightly over the quarter due to a negative revaluation of €1 billion and flat net purchases by funds.

Exchange traded funds (ETFs) continued to grow at a strong pace, adding €27 billion to their net asset value between end-December 2016 and end-March 2017. The net asset value of ETFs now accounts for €315 billion or 18% of the total net asset value of resident IFs (see chart 3).

**Chart 3: - Net Asset Value of ETF and Non-ETF Investment Funds Resident in Ireland**



The publication tables are published [here](#).

**Further information**

Investment funds statistics are collected on the basis of quarterly security by security reporting. The reporting population is comprised of those investment funds resident and authorised in Ireland. The reporting form and notes on compilation are also available on the website [here](#).

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