



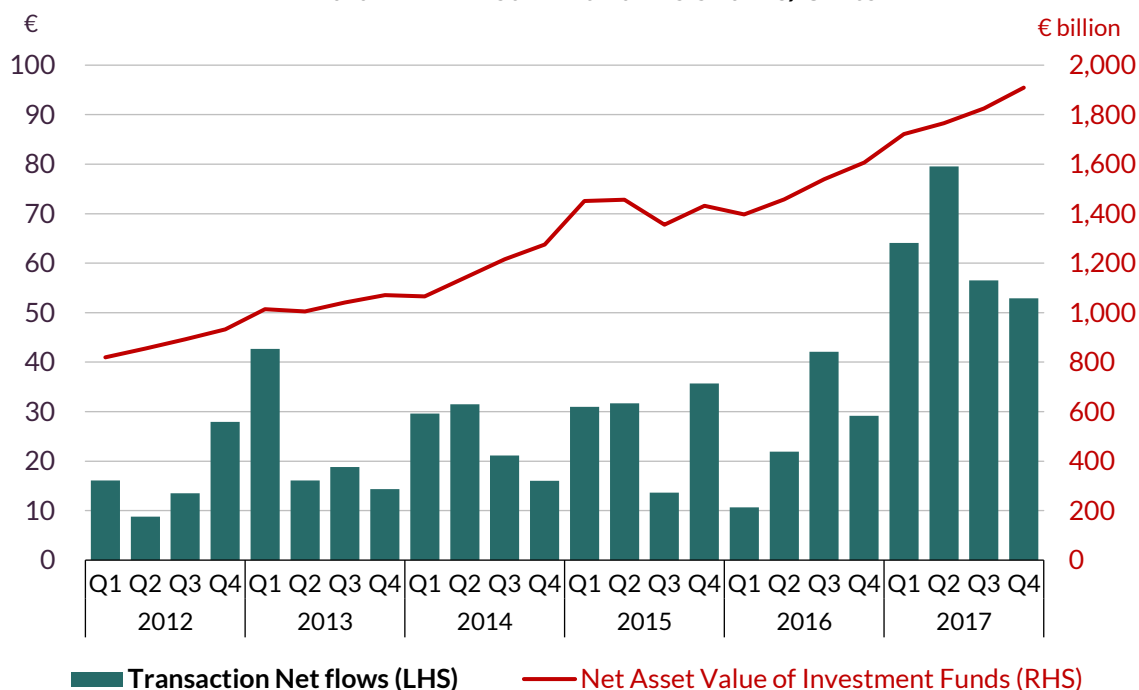
### *Investment Funds – Q4 2017*

#### **Key Points**

- The net asset value (NAV) of investment funds (IFs) resident in Ireland increased by 4.6 per cent (€85bn) over Q4 2017, reaching €1,909bn. The total value of assets held by IFs increased by €65bn to €2,239bn.
- Q4 2017 saw investor inflows of €53bn, taking the total investment for 2017 to €253bn. This is a record annual figure, with funds seeing more than twice the amount of net inflows seen in previous years.
- The total amount of equity holdings of all funds amounted to €997bn at end-December, increasing by €45bn from Q3 2017. Purchases and revaluations were concentrated in non-financial corporation (NFC) shares, which saw purchases of €10bn and revaluations of €20bn

The NAV of IFs resident in Ireland increased by 4.6 per cent (€85bn) over the Q4 2017, reaching €1,909bn (Chart 1). The increase was driven by strong net inflows (€53bn), taking the total for 2017 to €253bn. This is a record annual high for the series since it began in 2009. Net inflows exceeded the previous annual record by a factor of more than two. All fund types were net issuers of equity/units, with bond funds registering the largest net investor inflows of €30bn. With the exception of bond and real estate funds, all fund types saw positive revaluations of their NAV in Q4 2017. Equity funds saw the largest positive revaluations registering €25bn gains. Conversely, bond funds saw the largest negative revaluation, registering €3bn losses.

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

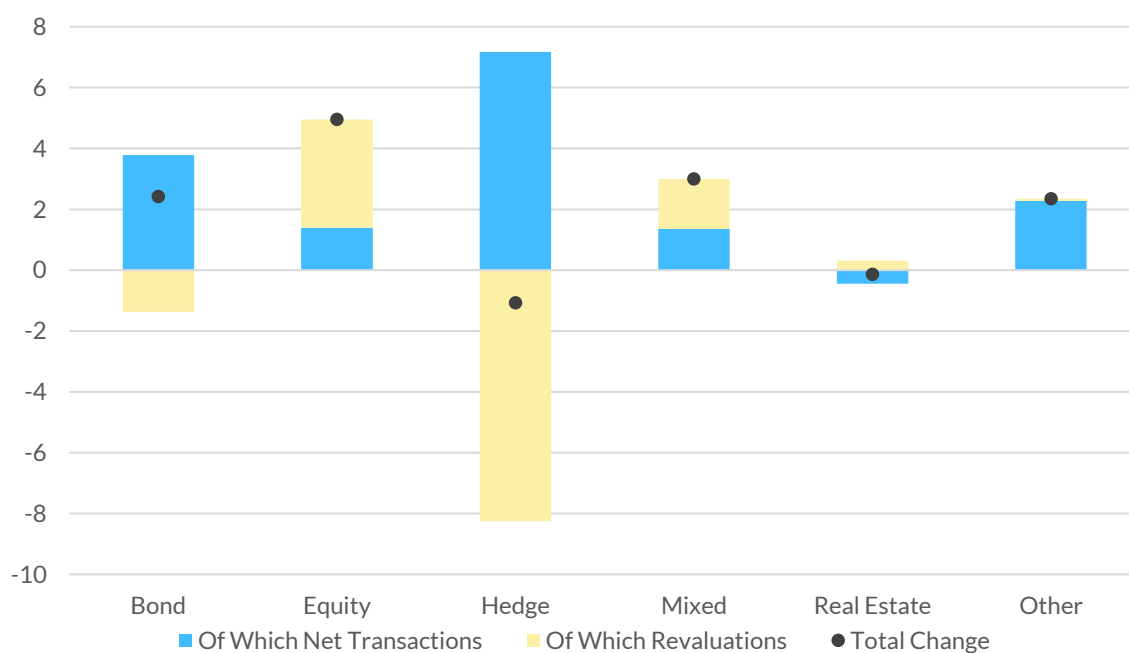


Source: Investment Funds Statistics, Central Bank of Ireland.

Note: In Q3 2015, there was a reclassification of funds from Bond to Money Market funds resulting in a decrease of

Total assets held by Irish IFs increased by €65bn from Q3 2017, amounting to €2,239bn at end-December. The increase was mostly composed of transactions, amounting to €59bn over the quarter. Growth in total assets varied across fund types, with real estate funds and hedge funds seeing a decline in total assets. With the exception of real estate funds, all fund types saw net purchases of assets. Hedge funds saw the largest increase in purchases in percentage terms (7 per cent). Equity funds saw the largest positive revaluation, with the value of their assets increasing by 4% (€26bn in absolute terms) over the quarter (Chart 2).

**Chart 2: - Percentage Growth in Total Assets by Fund Type Since Q3 2017 - With Breakdown of Revaluations and Net Purchases/Sales**

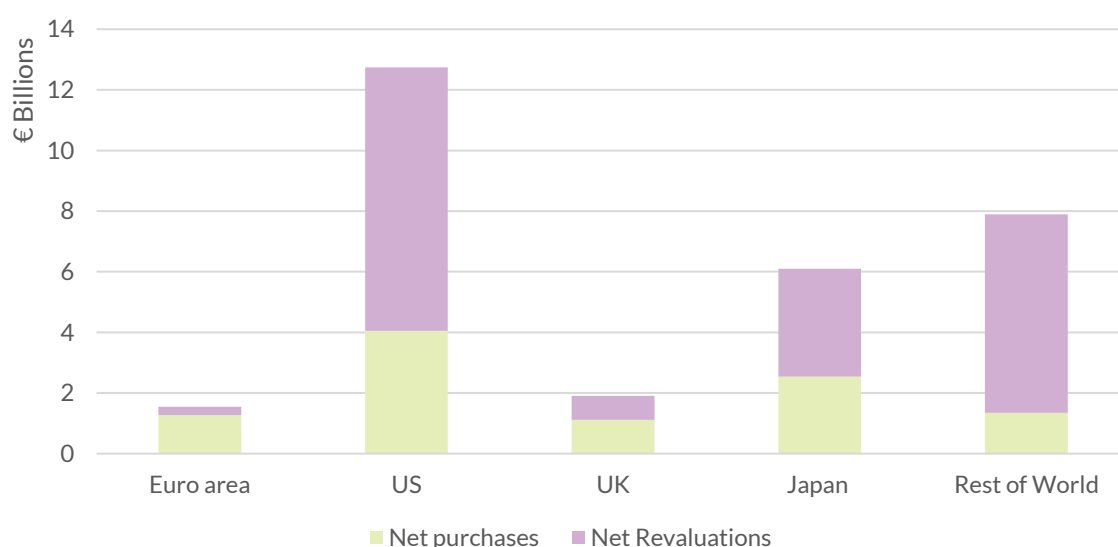


Source: Investment Funds Statistics, Central Bank of Ireland.

The total amount of equity holdings of all funds amounted to €997bn at end-December, increasing by €45bn from Q3 2017. Equities experienced positive revaluations of €30bn. Purchases and revaluations were concentrated in non-financial corporation (NFC) shares, which saw purchases of €10bn and revaluations of €20bn. Across issuer regions and countries, US NFCs saw both the largest positive revaluations, at €9bn, and the largest net purchases, at €4bn (chart 3). This increased the total stock of US NFC equity to €226bn at end Q4. The Rest

of World category also saw significant revaluations, with equity issued by Indian, Korean and South African non-financial corporations seeing a revaluation of roughly €1bn each, and equity issued by Cayman Islands NFC's seeing an approximately €2bn revaluation.

**Chart 3: - Net Purchases and Revaluations of Non-Financial Corporation Equity by Country and Region – December 2017**



Source: Investment Funds Statistics, Central Bank of Ireland.

Holdings of debt securities by all funds amounted to €873bn at end-December, with net purchases of €39bn and negative revaluations of €4bn over the quarter. UK bond issuers saw €9bn in purchases of their debt and €6bn in positive revaluations, exceeding the net purchases and revaluations of all other countries. These movements were attributable to changes in holdings of UK Government bonds, which saw €6bn in revaluations and net purchases. Inflation-linked bonds drove the positive revaluation for UK government debt securities.

## Investment Fund Statistics – Q4 2017

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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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