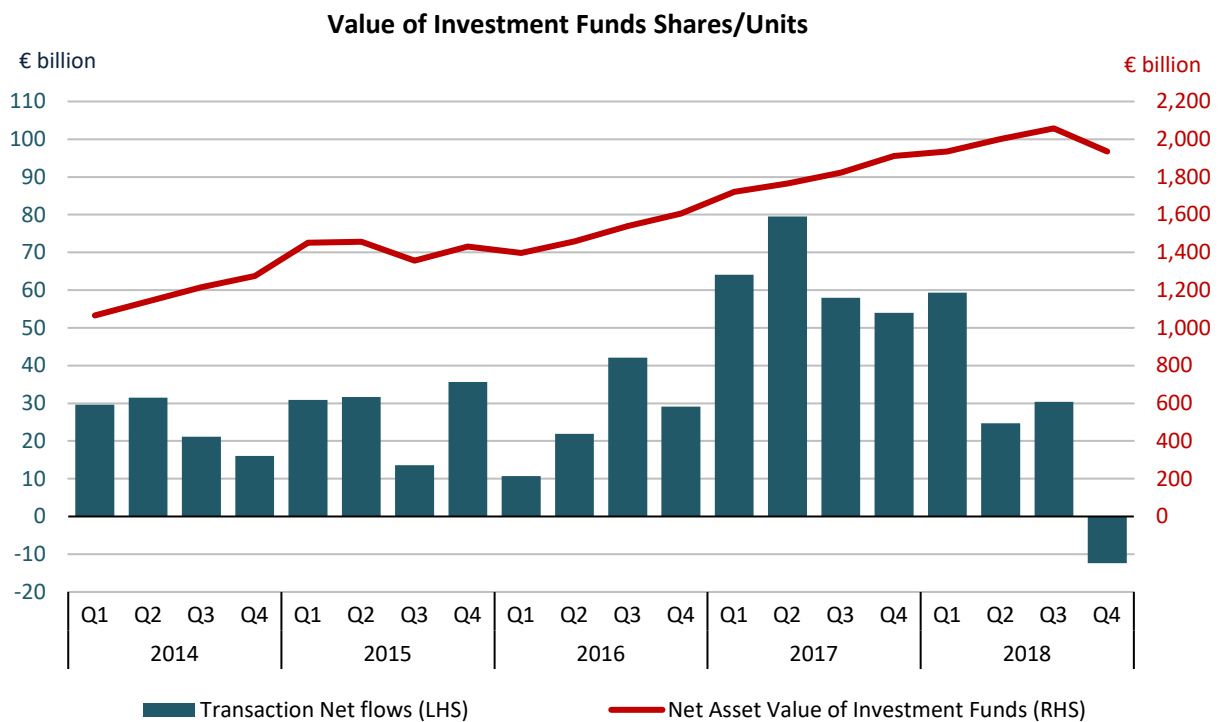




Investment Funds – Q4 2018

Net Asset Value of Irish Resident Investment Funds



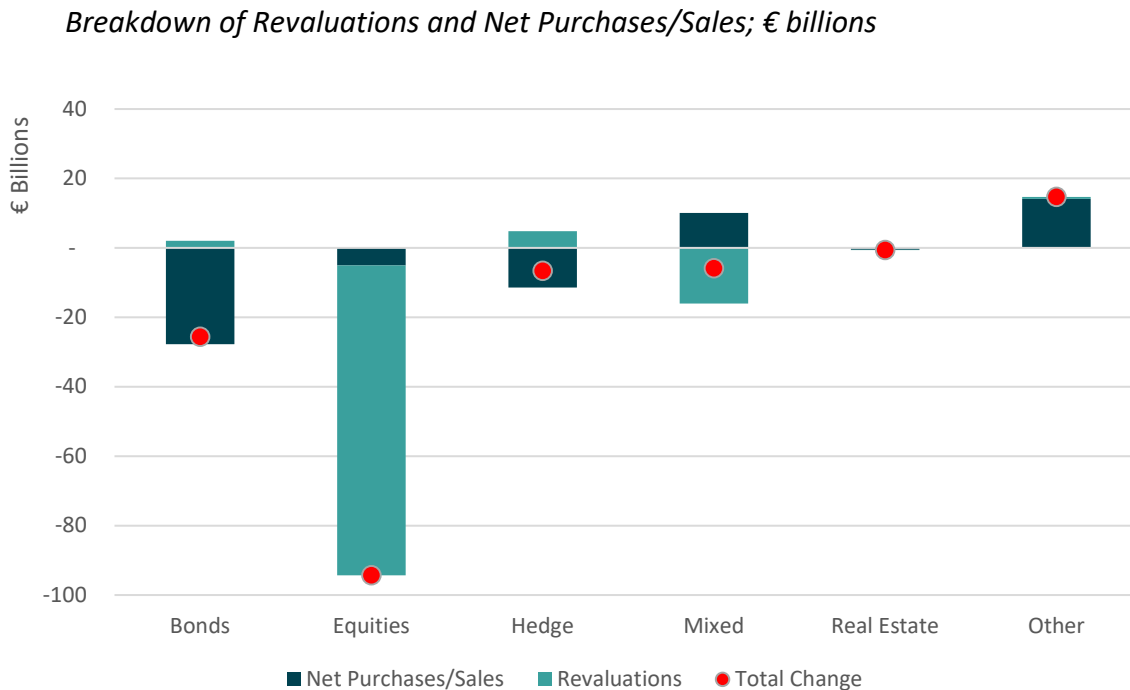
Source: Investment Funds Statistics, Central Bank of Ireland.

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

The Net Asset Value (NAV) of Irish resident Investment Funds (IFs) decreased 6 percent to €1,934bn during Q4 2018, driven by a fall in global equity markets. This decrease was comprised of transaction net outflows of €12bn and valuation losses of €123bn. Bond, hedge, equity and real estate funds saw investor outflows, whereas mixed and other funds experienced minor inflows. This is the first quarter in the last five years to witness negative net flows across investment funds resident in Ireland.



Assets by Fund Type Q4 2018



Total assets held by Irish IFs decreased €119bn from €2,446bn in Q3 2018 to €2,327 in Q4 driven by net sales of €27bn and revaluations of €98bn. All fund types bar mixed and other recorded net sales during Q4 2018 with bond funds recording the largest net sales at €27bn, followed by hedge and equity funds at €11bn and €5bn respectively. Hedge funds were the only fund type which saw significant positive valuation gains of €5bn during Q4 2018, though bond funds and other funds saw modest positive revaluations. In contrast, equity funds recorded significant valuation losses €89bn. This was in line with large losses in European and particular US equity markets and follows similar trends seen throughout euro area investment funds.

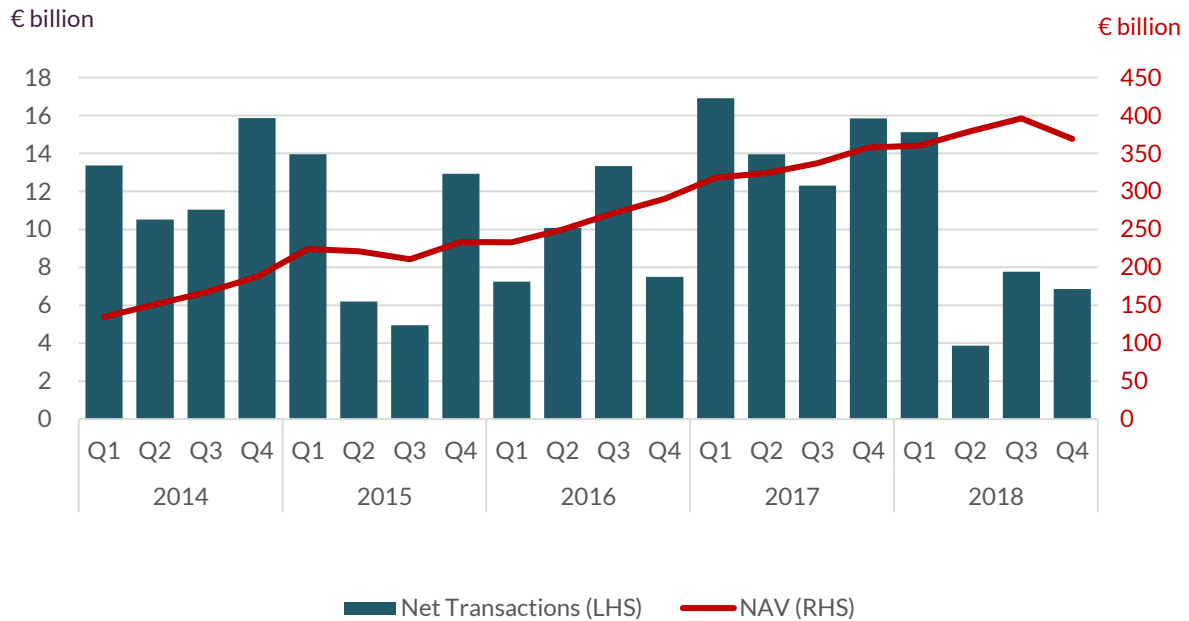


Equity holding of funds (including shares/units of other funds) decreased to €1,001bn by the end of Q4 from €1,103bn the previous quarter. This decrease in the value of equity holdings was underpinned by decreases in the equity valuation of Non-Financial Corporations (NFCs), particularly those in the United States which recorded net sales of just €0.5bn but net valuation losses of €39bn, a fall of almost 14 percent. Irish equity holdings, which are largely comprised of fund cross-shareholdings, saw net purchases of €4bn and revaluations losses of €6bn in the quarter.

Irish resident investment fund holdings of debt securities fell slightly from €931bn at end-September to €929bn at end-December. Despite this small decline, holdings of UK government debt increased by €10bn to €240bn in Q4, reflecting net purchases of €8bn during this period. This was driven by a small group of funds that use UK government bonds to hedge certain risks.



Net Asset Value of Exchange Traded Funds



Irish Resident Exchange traded funds (ETF’s) decreased €27bn in value from €396bn to €369bn from Q3 to Q4 reflecting the significant fall in equities markets previously mentioned, and mirroring the performance of other investment funds in this period. ETF’s, while impacted by the recent turbulence in global equity markets, have not seen the same levels of outflows witnessed in the rest of the IF population with net inflows of €6.8bn.

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](#). For queries contact: Central Bank, Media Relations at media@centralbank.ie