

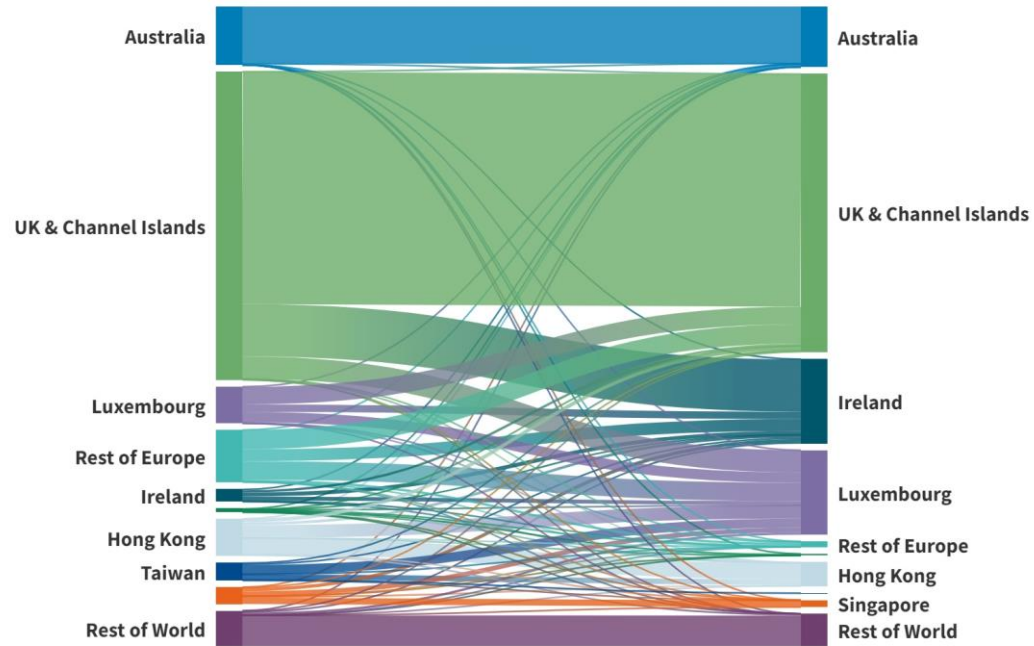


DISTRIBUTION OUTLOOK:  
UNDERSTANDING  
INVESTOR SENTIMENT  
THROUGH FUND FLOWS

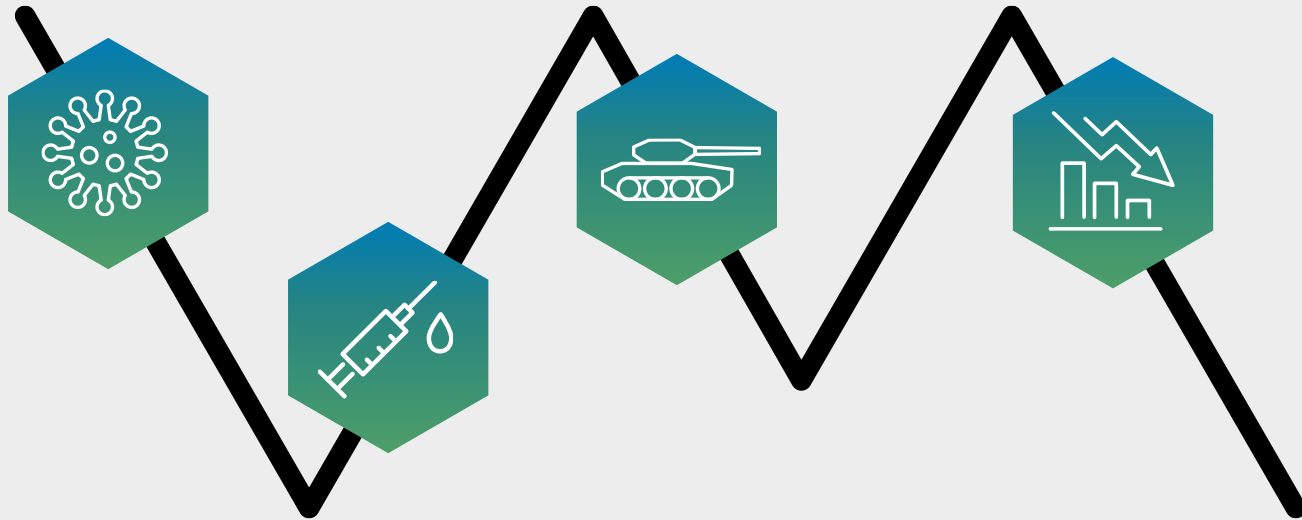
November 2023

# THE CALASTONE NETWORK

Global Cross-Border Fund Flows on Calastone's Global Network - 2019-2023  
(excludes money market funds)



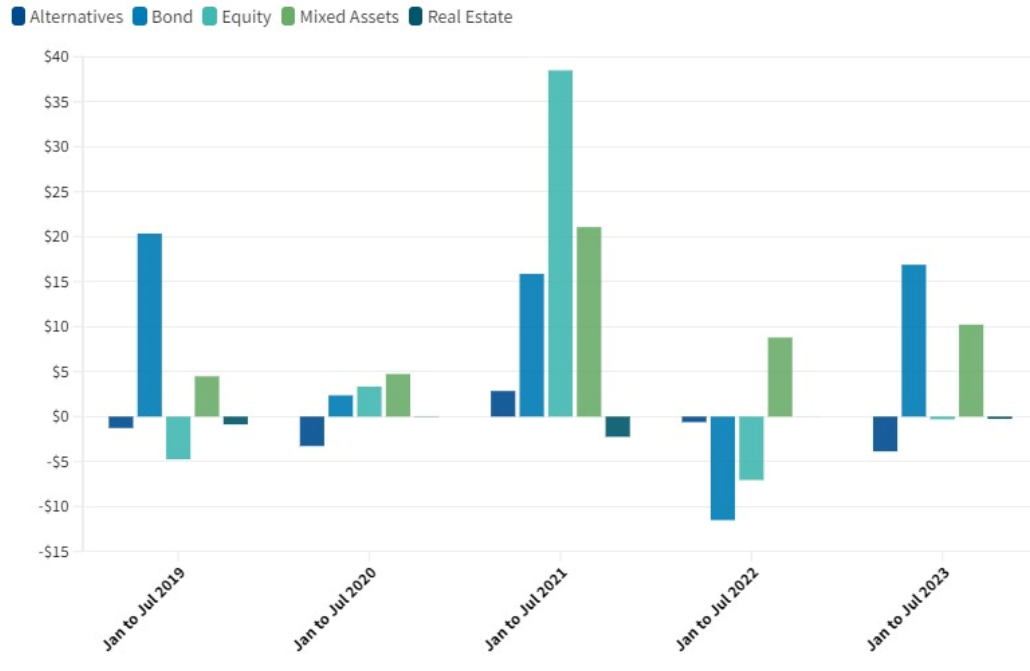
# GLOBAL FUND FLOWS



# GLOBAL FUND FLOWS

## Net Fund Flows - Strong inflows to fixed income in 2023

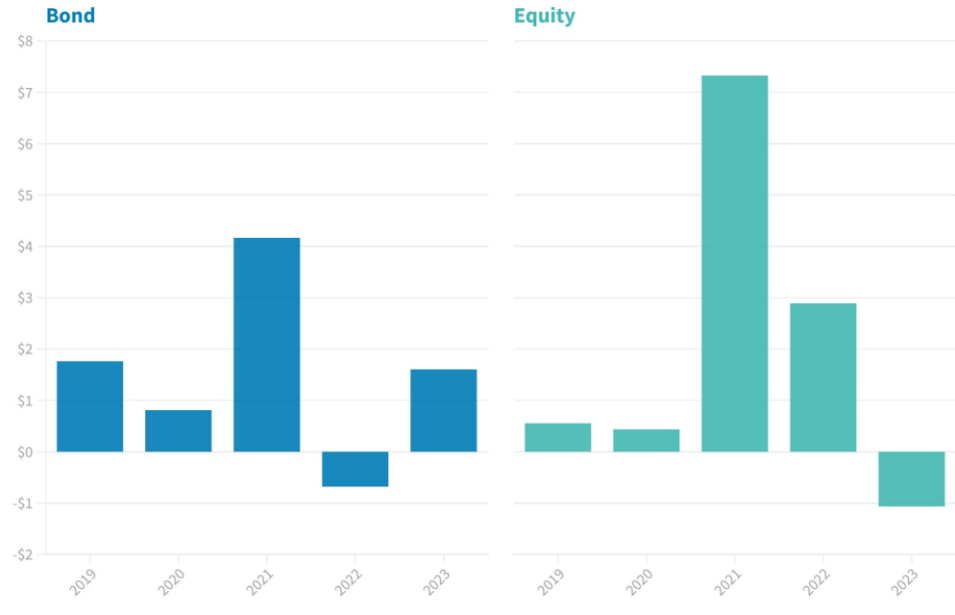
Source: Calastone, January to July each year, \$bn



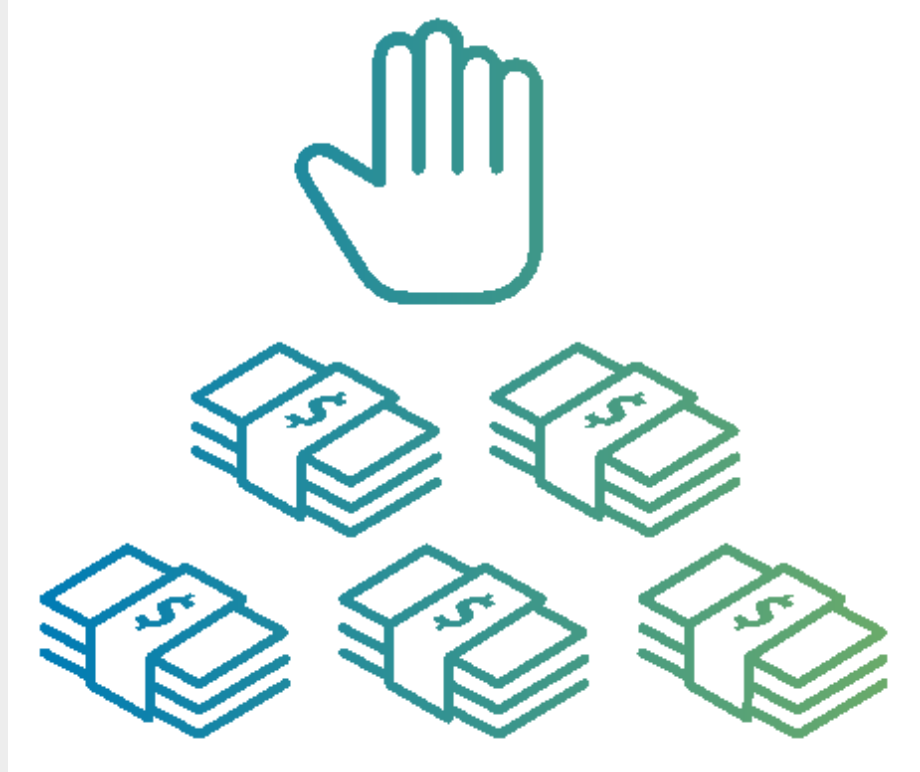
# FUND FLOWS – REGIONAL VIEW – AUSTRALIA – MOST POSITIVE GLOBALLY

Australia Net Fund Flows - Strong preference for bonds over equities in 2023

Source: Calastone, January to July each year, \$bn



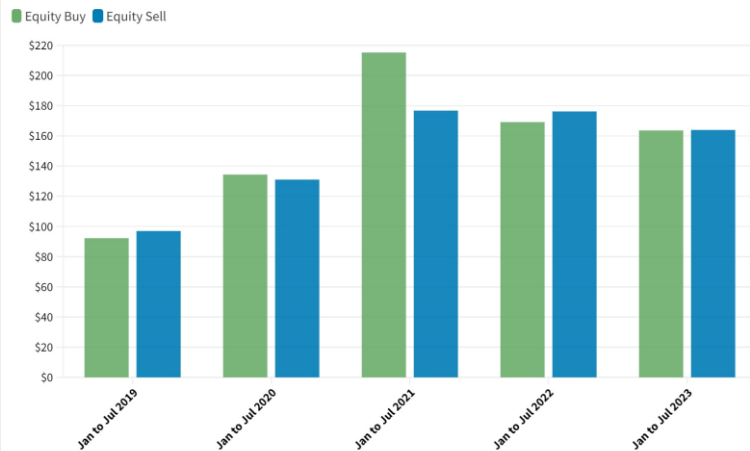
# BUYING ACTIVITY IMPACTING VOLUMES



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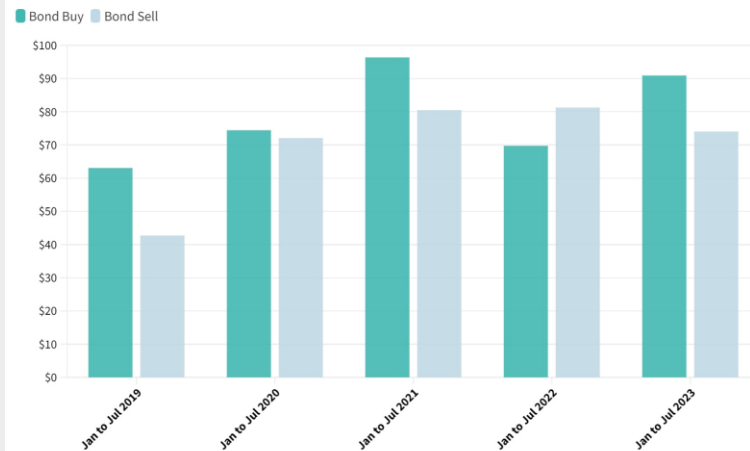
Changes in buying activity are a more important driver of volumes than changes in selling

Source: Calastone

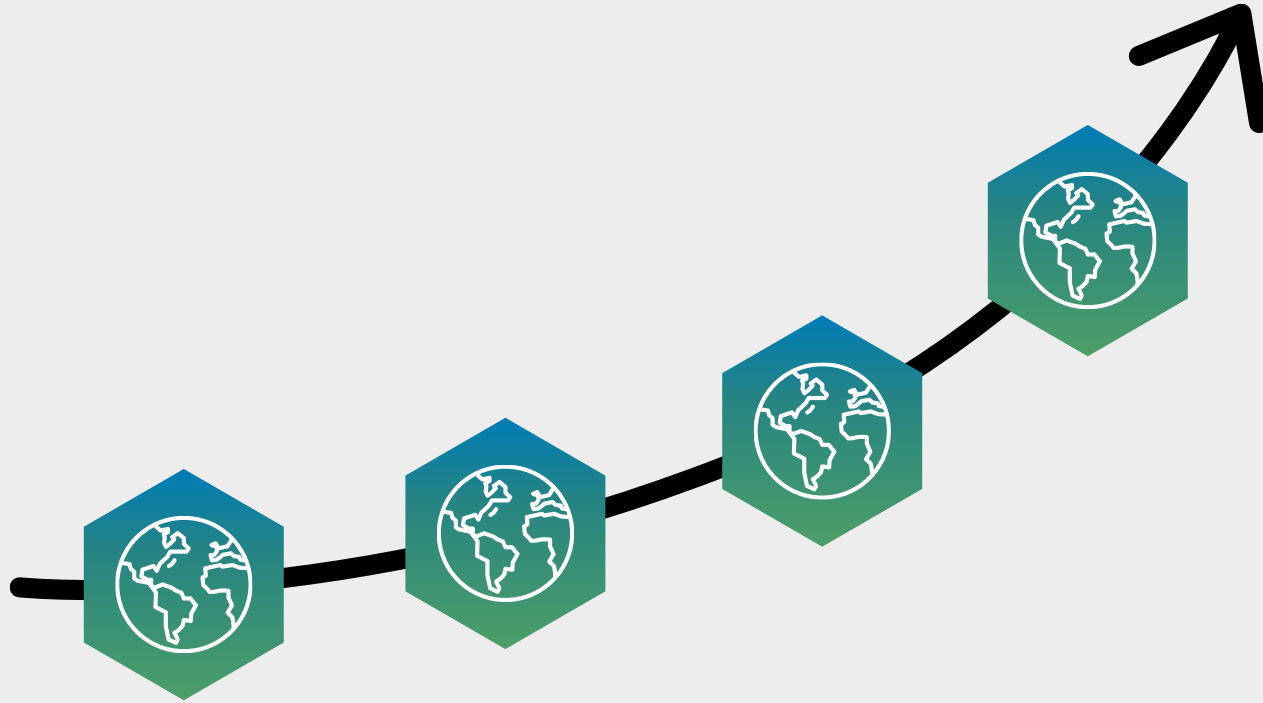


Changes in buying activity are a more important driver of volumes than changes in selling

Source: Calastone



# GLOBAL FUNDS GROW IN POPULARITY



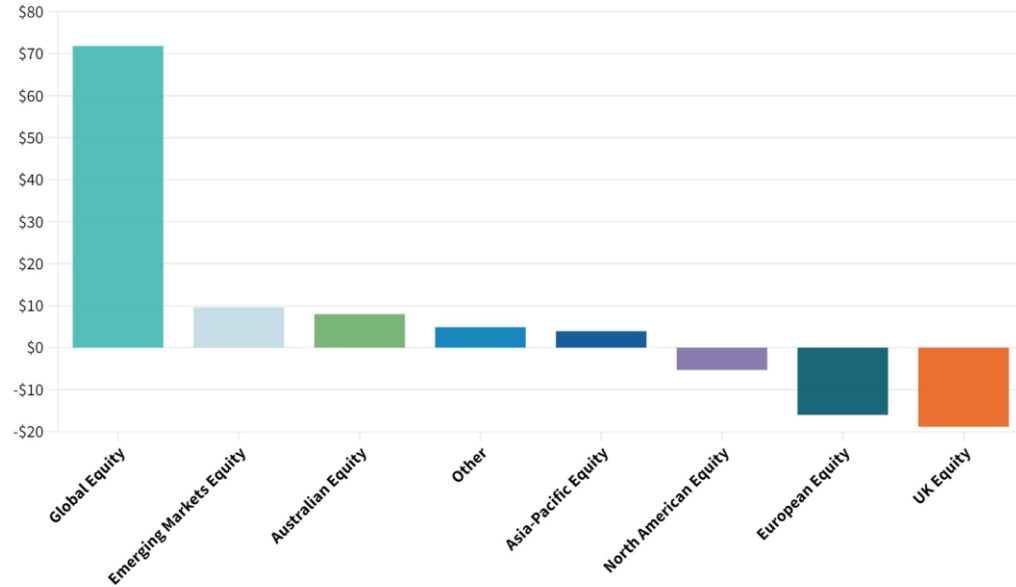


# GLOBAL FUNDS GROW IN POPULARITY

Investors favour global equity funds

Source: Calastone, January 2019 to July 2023

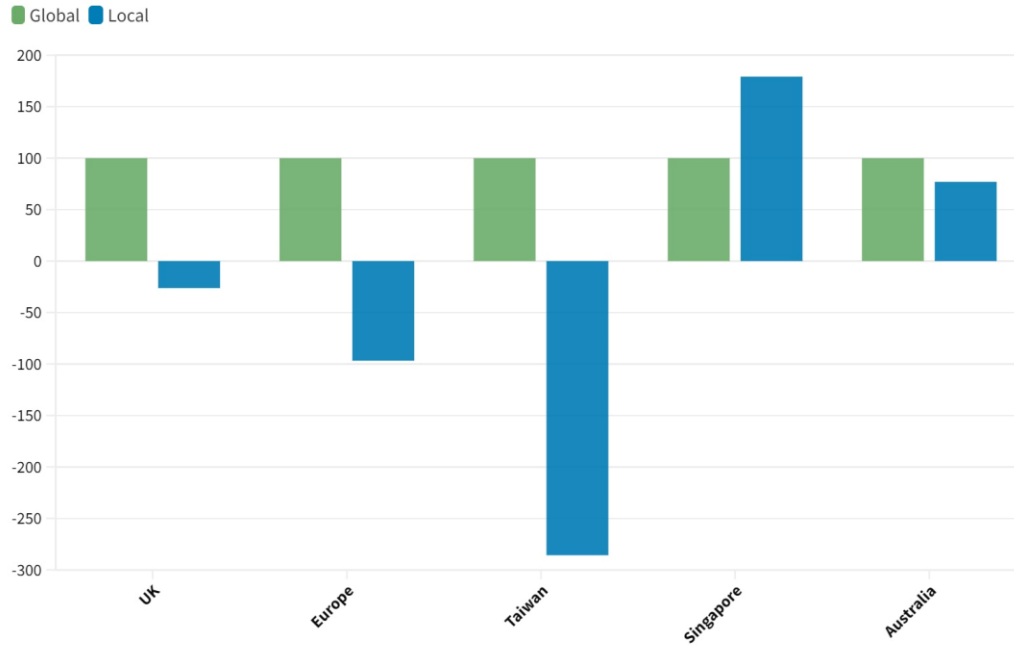
Global Equity Emerging Markets Equity Australian Equity Other Asia-Pacific Equity North American Equity European Equity UK Equity



# GLOBAL FUNDS - REGIONAL VIEW

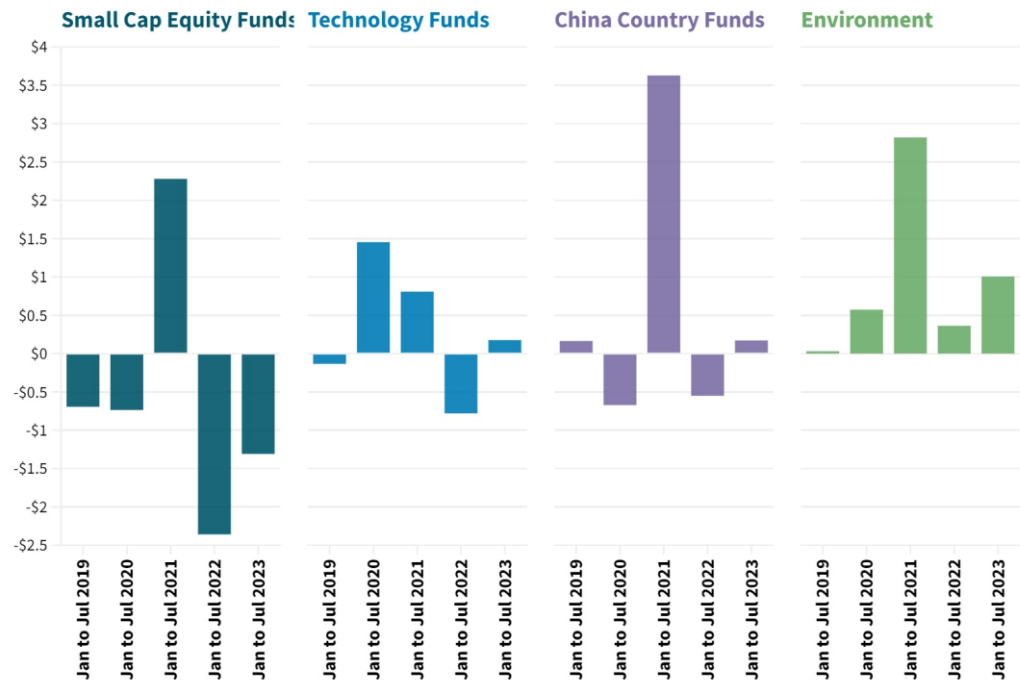
Investors favour global equity funds

Source: Calastone, January 2019 to July 2023 (selected territories, indexed)

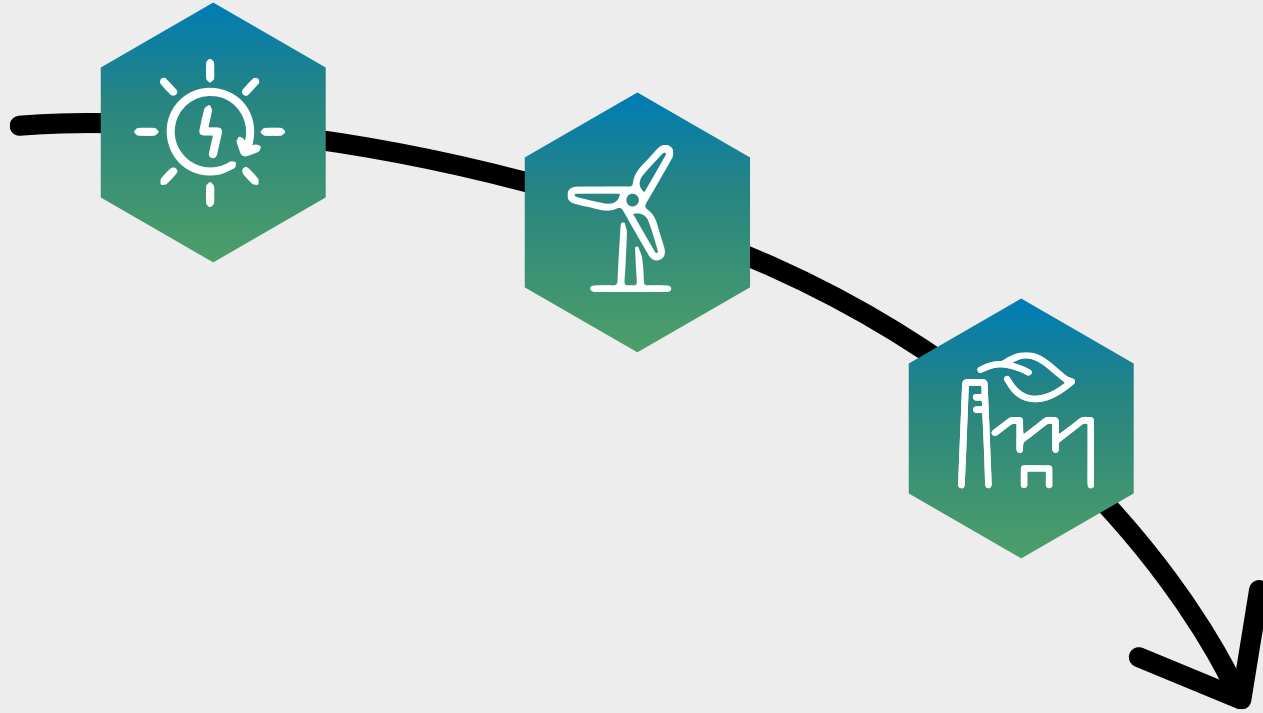


# FUND CATEGORIES

Calastone Net Fund Inflows - selected fund types (USD bn)



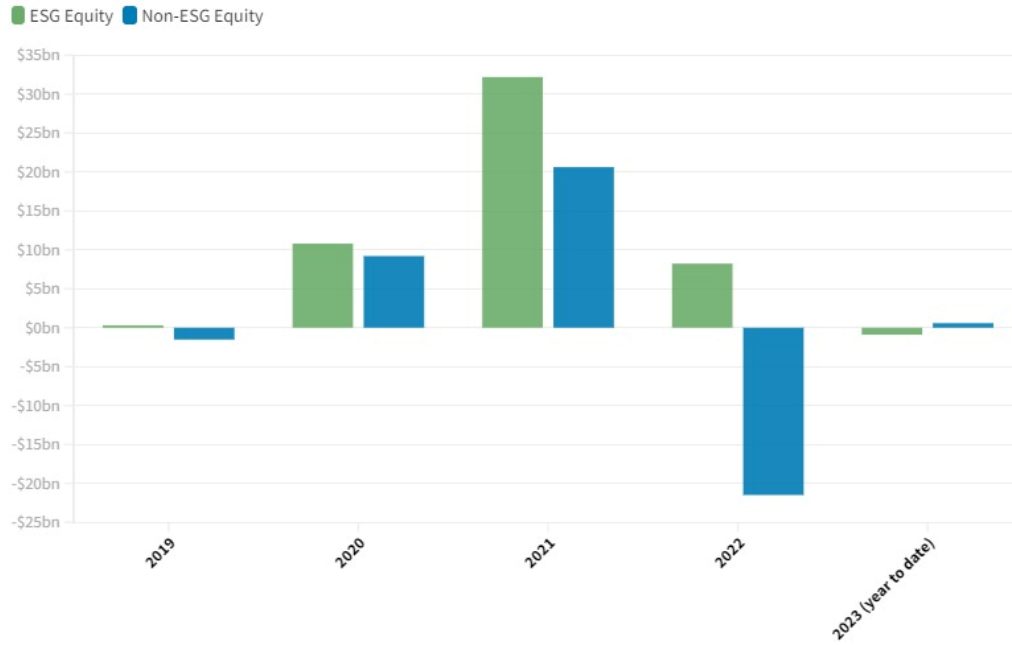
# ESG INVESTING – TREND REVERSING



# ESG INVESTING – TREND REVERSING

The rise of ESG - strong net inflows until 2023

Source: Calastone, January 2019 to July 2023



# ESG INVESTING AND CHANGING DEMOGRAPHICS?

When choosing investment funds, how important would the following criteria be?

**For all millennials**

	Total	UK	USA	Australia	France	Germany	Hong Kong
Long-term returns	53%	50%	58%	60%	46%	49%	58%
Fees / expenses	53%	54%	60%	59%	49%	43%	52%
Transparency of the firm's investment strategy	50%	48%	55%	57%	50%	43%	45%
Reputation of the fund / firm / institution	49%	55%	60%	58%	43%	34%	44%
Being able to speak to somebody in person	42%	43%	53%	44%	47%	36%	31%
Ability to manage funds via digital platforms	41%	47%	50%	54%	34%	27%	36%
Credentials of Fund Managers	37%	40%	49%	41%	42%	24%	29%
Investment in ethical funds, causes & products	32%	35%	43%	37%	29%	23%	26%

# THE CALASTONE FUND FLOW INDEX