

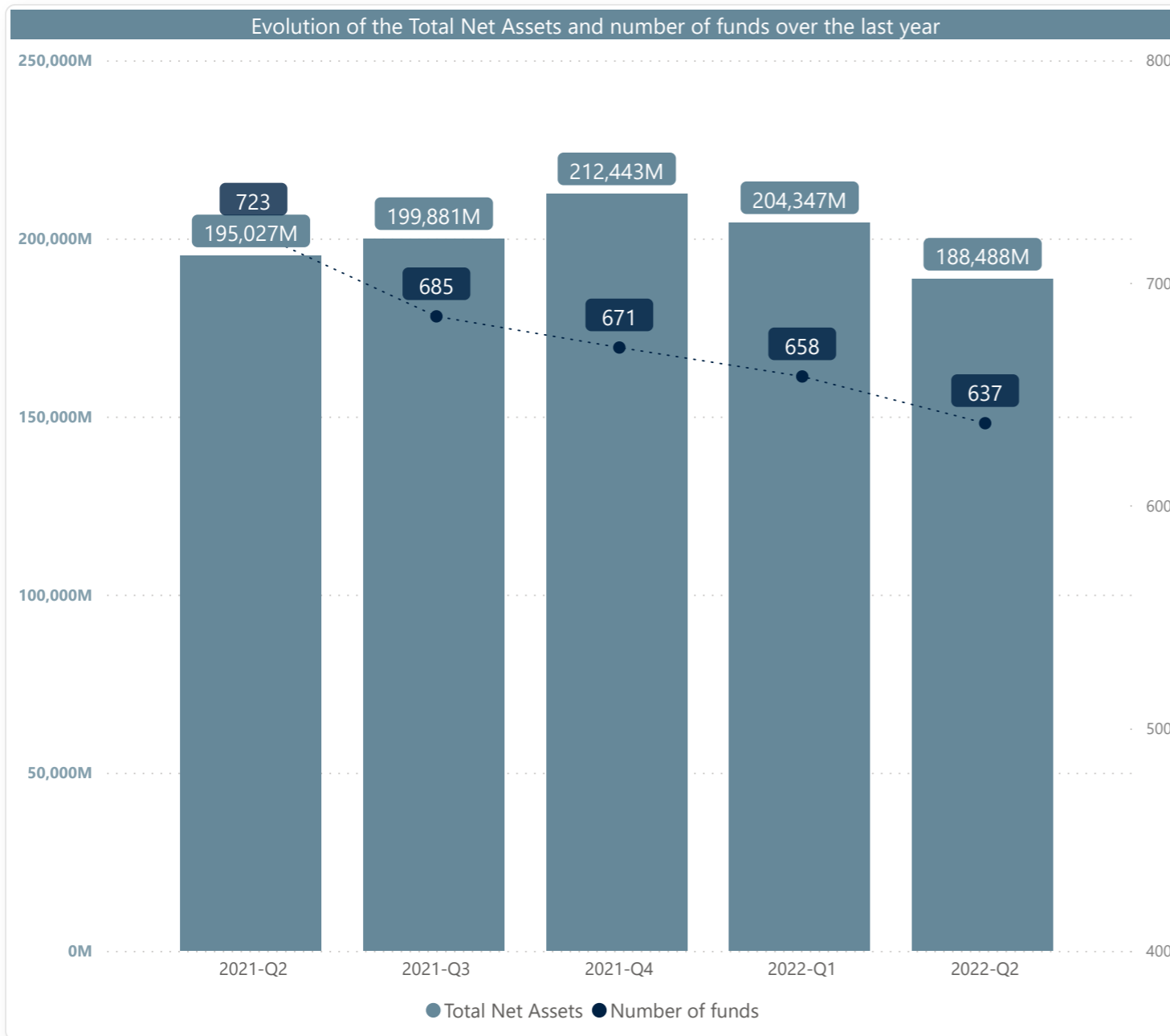


Belgian public open-ended investment funds Quarterly dashboard

Q2 2022

September 2022

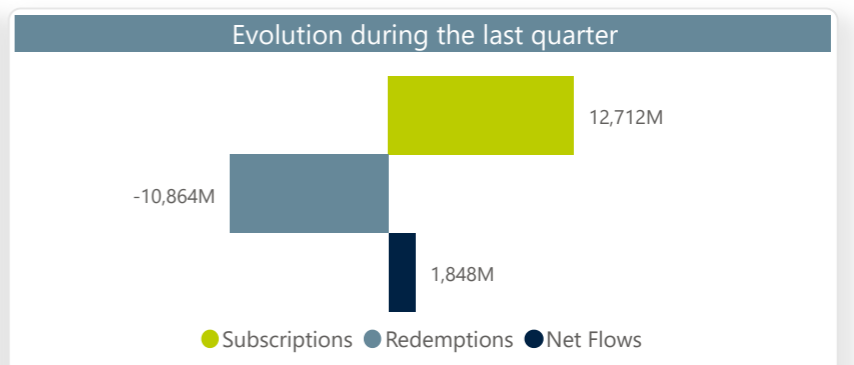
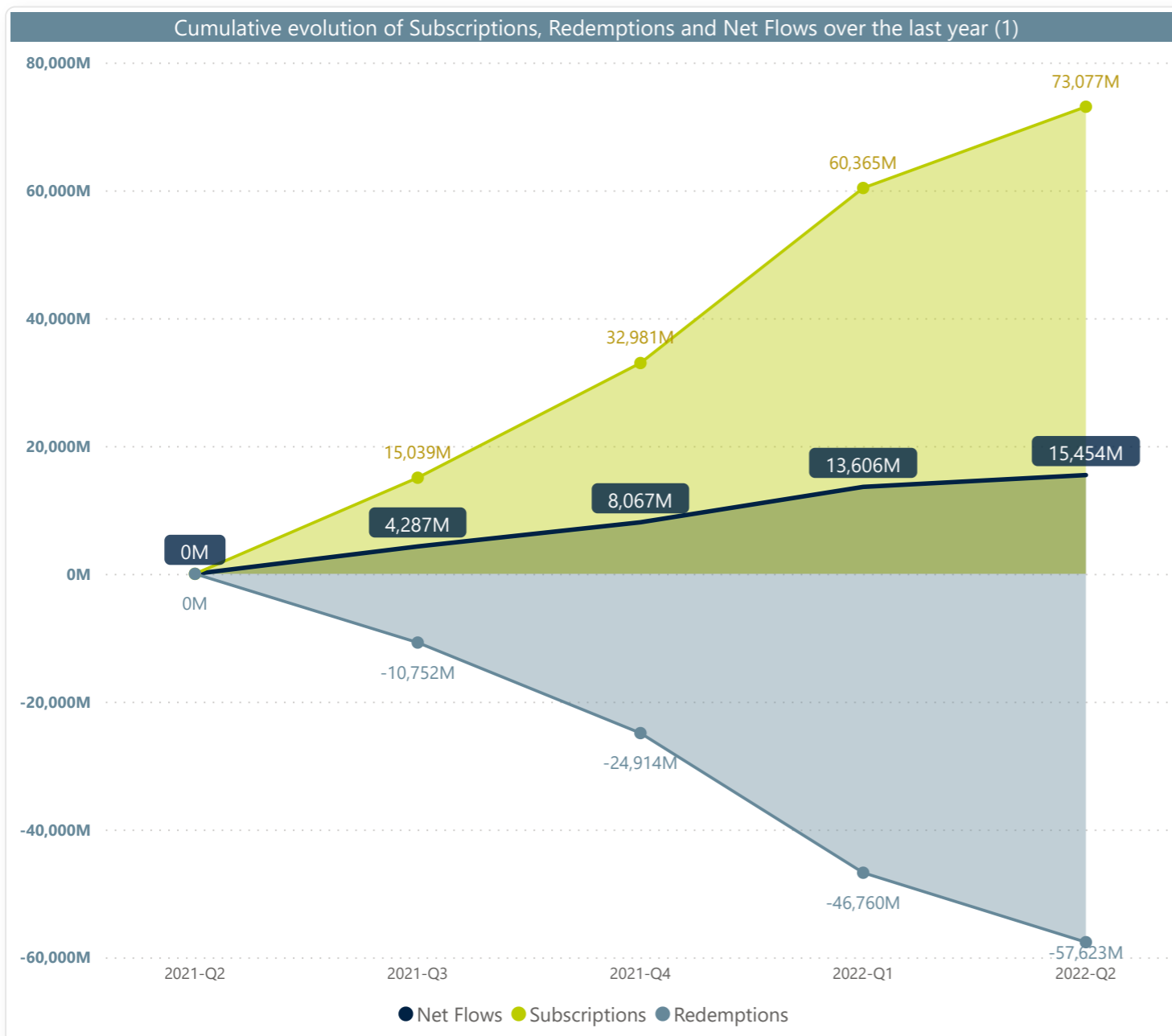
1. Total Net Assets: Overview



During 2021, the Belgian public open-ended fund industry had followed an increasing trend, reaching net assets amounting to EUR 212.4 billion in December 2021. During the first quarter of 2022 this trend was reversed. The reversal continued during the second quarter as net assets further diminished by an amount of EUR 15.9 billion (-7.8%) to a total of EUR 188.5 billion. Overall, compared to the peak at the end of 2021, the sector's net assets have already declined by 11.3% during 2022. This decline is mainly driven by the developments in financial markets, which have a negative impact on the valuation of fund portfolios.

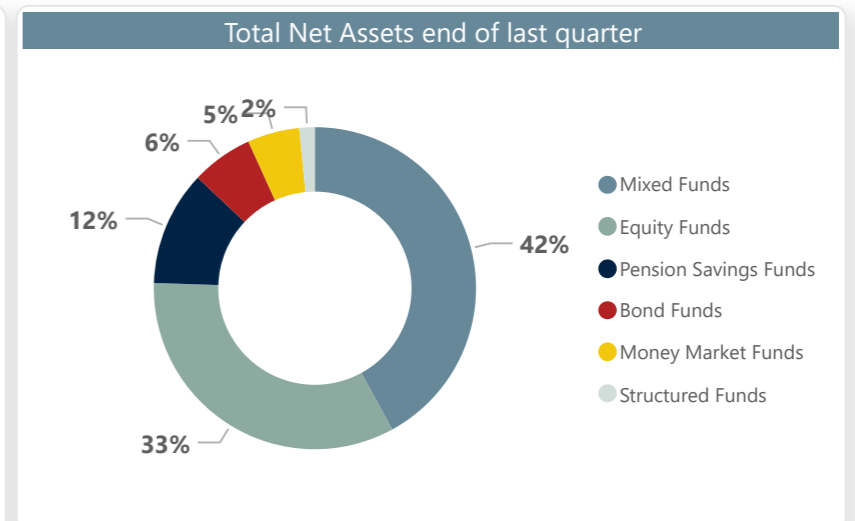
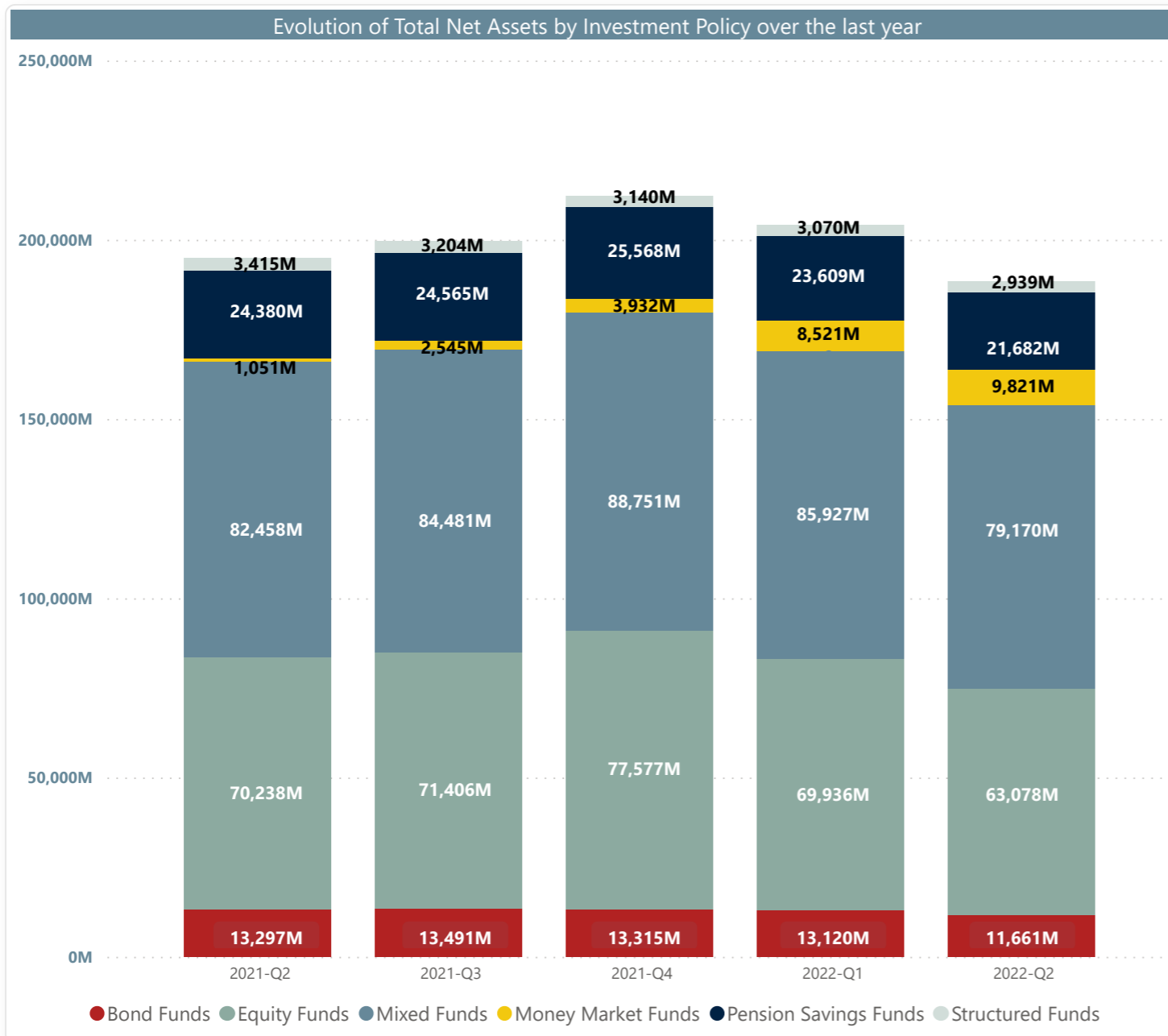
During the second quarter of 2022 the number of funds that are currently active further decreased by 21 to a total of 637 funds. The steady decline in the number of funds is a continuation of a long term trend due to structured funds reaching their maturity date on the one hand and mergers on the other hand.

2. Net Flows: Overview



During the past year, net inflows (subscriptions minus redemptions) into the sector of Belgian public open-ended funds have reached EUR 15.5 billion, to which the second quarter of 2022 contributed EUR 1.8 billion. This amount is distinctly less than in recent quarters.

3. Total Net Assets: Detail by Investment Policy

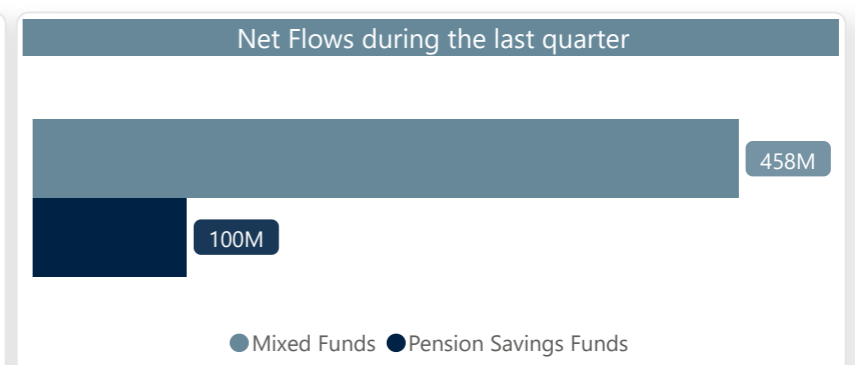
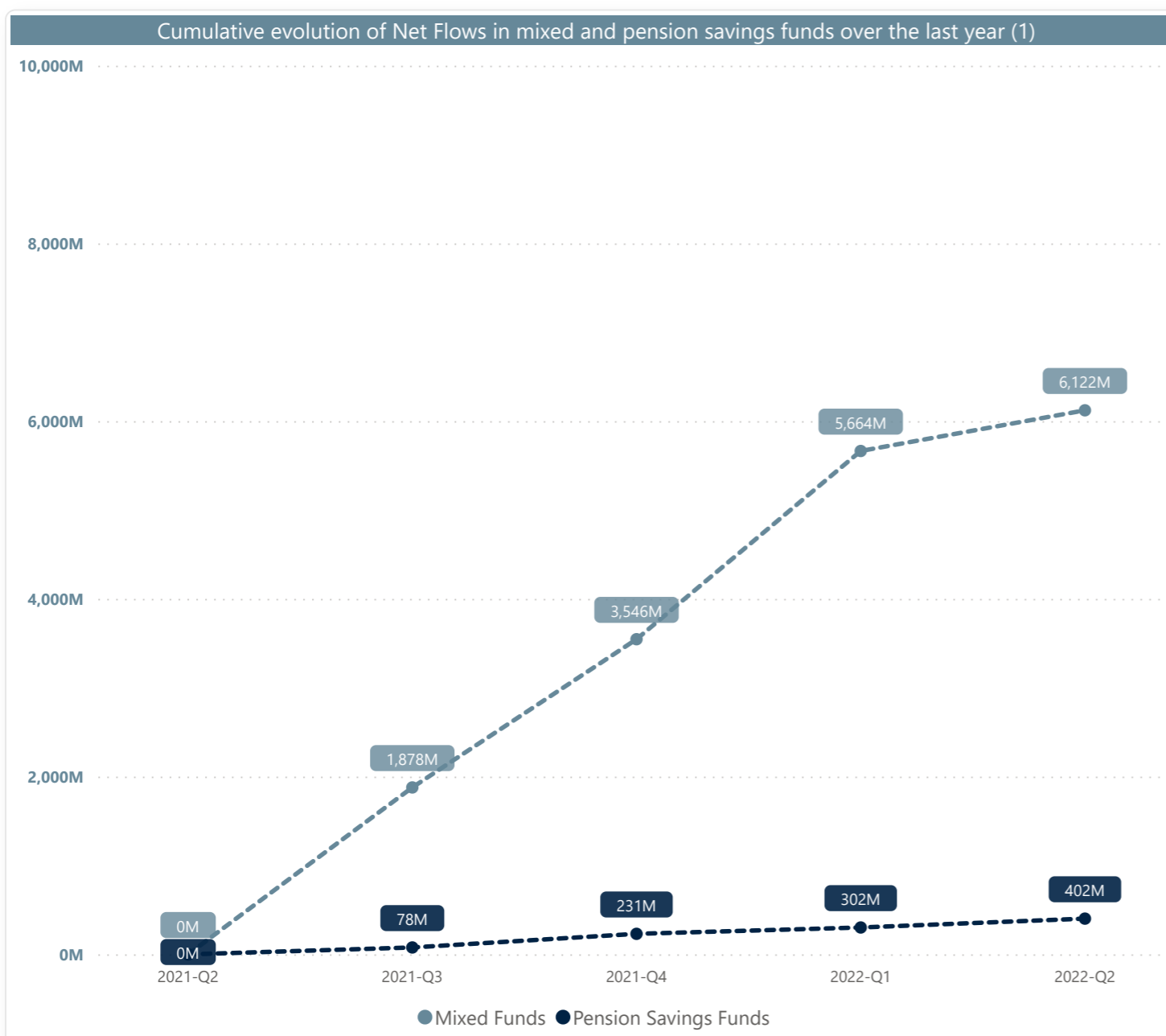


As of June 2022, mixed funds, pension savings funds and equity funds represented about 87% of the total net assets of the sector.

Their relative importance has decreased in the first half of 2022, mainly due to a decline in proportion of equity funds (-3 percentage points), as the decline in net assets was most pronounced for equity funds. In contrast, the relative importance of money market funds increased by 3 percentage points during this period, as new subscriptions led to a significant growth in their net assets, from EUR 3.9 billion to EUR 9.8 billion.

Note: Funds with another investment policy are filtered out from this analysis.

4. Net Flows: Detail by Investment Policy

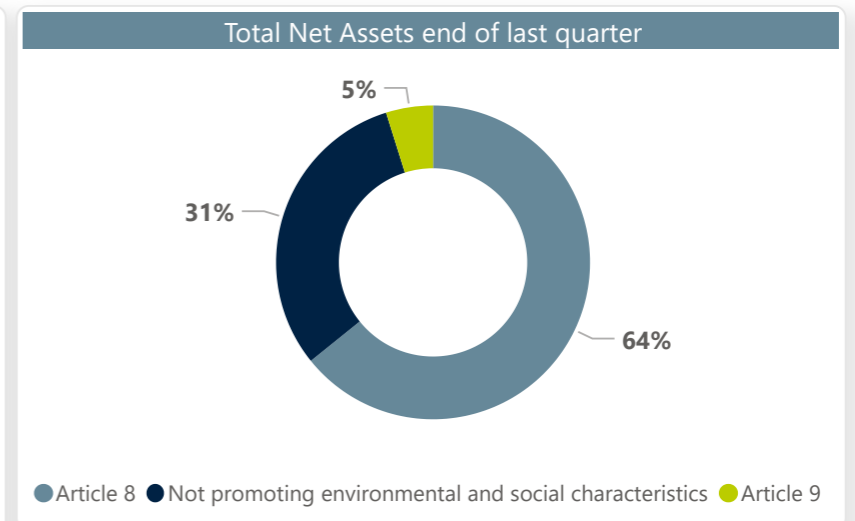
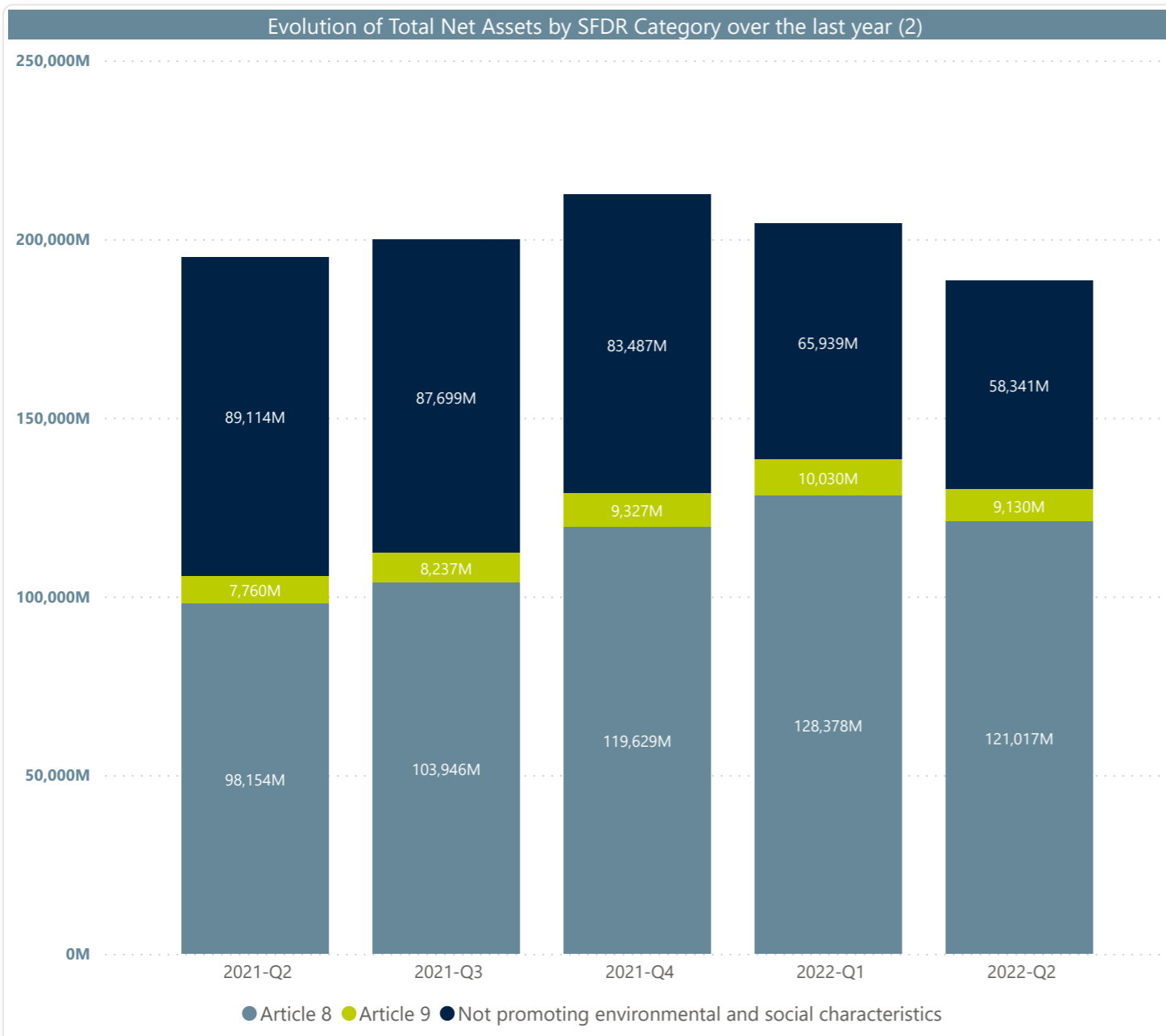


Pension savings funds, which have the most widespread investor base across Belgian retail investors, have witnessed consistent net inflows during the last 12 months, amounting to EUR 402 million as of June 2022, of which EUR 100 million during the second quarter of 2022.

Mixed funds, of which the vast majority are held by retail investors, have also seen consistent net inflows during the past year, up to EUR 6.1 billion, of which EUR 458 million were invested during the second quarter of 2022. This is visibly less than was observed in the previous quarters.

Whereas the amount of net subscriptions during the second quarter of 2022 appears to have remained stable for pension savings funds, this is clearly not the case for mixed funds. Although the amount remains positive, it is clearly lower than the amount of net subscriptions during the previous three quarters. This means that there were still more subscriptions than redemptions during the second quarter, but the size of the surplus was smaller than during recent quarters.

5. Total Net Assets: Detail by SFDR Category

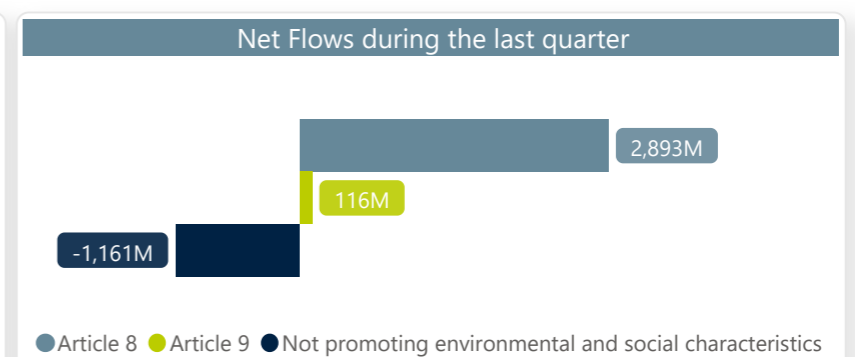
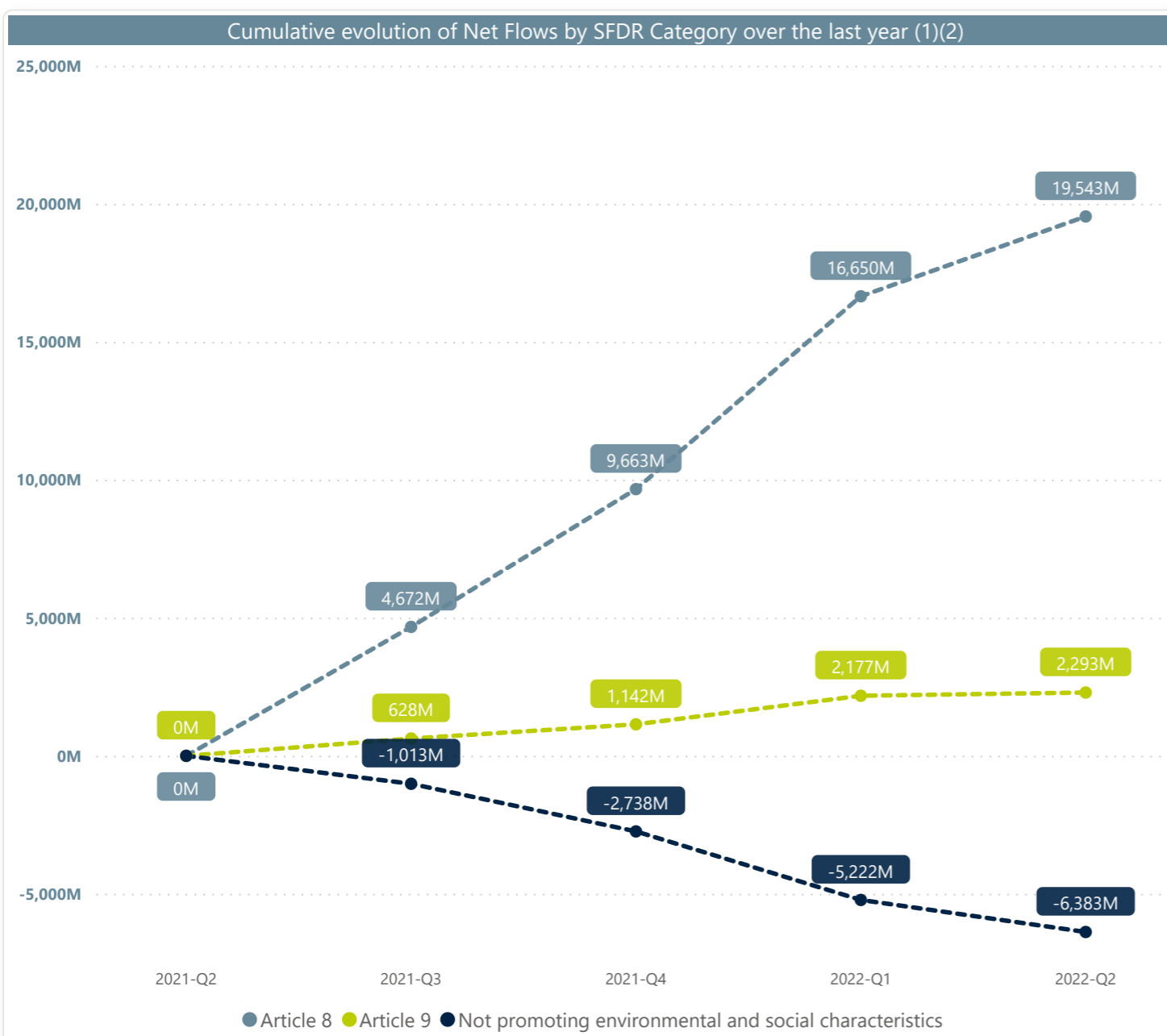


In March 2021, the Sustainable Finance Disclosure Regulation (SFDR) came into force. The SFDR imposes, among others, pre-contractual disclosure to end investors on sustainable investment objectives and on the promotion of environmental or social characteristics. It therefore allows funds to be classified according to their sustainability-related disclosures. "Article 9 – sustainable investment objective" funds have sustainable investment as their objective. "Article 8 – promotion of environmental and/or social characteristics" funds promote environmental or social characteristics.

As of June 2022, about 64% of the total net assets of the sector concerned article 8 funds, while article 9 funds represent about 5% of the sector.

During the past year, the relative importance of article 8 and article 9 funds has increased (respectively by +14 and +1 percentage points). The conversion of funds not promoting environmental and social characteristics to article 8 funds contributes to the marked increase of the relative importance of article 8 funds.

6. Net Flows: Detail by SFDR Category



Both article 8 and article 9 funds, which have sustainable investment as their objective or promote environmental or social characteristics, have faced positive net flows during the past year (EUR 21.8 billion), of which the majority was in article 8 funds, promoting environmental or social characteristics (EUR 19.5 billion).

In comparison, funds that neither have sustainable investment as their objective nor promote environmental or social characteristics, have seen net outflows amounting to EUR 6.4 billion during the same period.

During the second quarter of 2022, investors continued to invest in funds having sustainable investment as their objective or promoting environmental or social characteristics, while the remaining part of the sector witnessed net outflows amounting to EUR 1.2 billion. These figures are an indication of increasing investor interest and participation in these types of funds.

General

Funds are identified at compartment level and therefore “fund” refers to a compartment of a collective investment scheme for those collective investment schemes with compartments and to the collective investment scheme itself when the collective investment scheme does not have compartments.

Statistics are presented for all funds for which the relevant data have been reported to the FSMA. The relevant data should be reported to the FSMA for all active funds. Active funds are funds for which the initial subscription period has been closed and which have not entered into a liquidation or merger process.

The relevant data reported to the FSMA are the total net assets of a fund, the amount of subscriptions and the amount of redemptions, all in base currency of the fund. Net flows into or out of a fund, also called net inflows or net outflows, are calculated as subscriptions minus redemptions.

The FSMA continues to work with investment funds, their management companies and the entities responsible for the fund administration to identify and correct filling errors. Further, the FSMA has employed certain assumptions in aggregating the data. Future adjustments to the methodology and amended fillings that change the underlying data could lead to changes in previously reported statistics.

All statistics are shown in million EUR (M). Data that have not been reported in EUR are converted to EUR based on the ECB reference rate. Statistics are shown on a quarterly frequency and net assets are calculated at the following dates: 25/06/21, 01/10/21, 31/12/21, 25/03/22 and 30/06/22.

All statistics are shown on an aggregated basis, either for the entire sector of the Belgian publicly offered open-ended investment funds, or for specific categories of funds. There is no correction for net assets, subscriptions and redemptions of funds investing in other funds included in the sector.

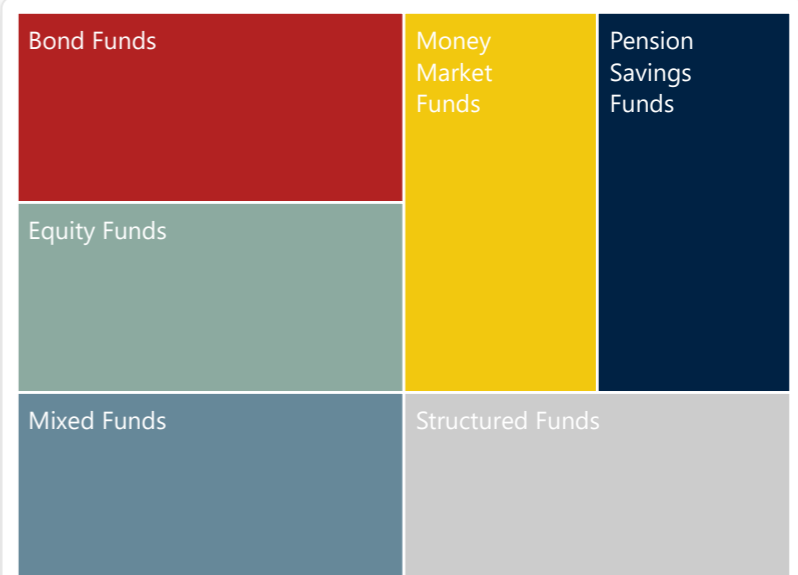
The FSMA has classified funds into different categories based on their prospectus. The classification is based on their stated investment policy as of the last reporting day of the last quarter of the reporting period and their sustainability-related disclosures according to Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector (Sustainable Finance Disclosure Regulation or SFDR) as of the last reporting day of each quarter of the last year.

(1): In contrast to the previous versions of this dashboard, subscriptions and net flows no longer include subscriptions linked to mergers of Belgian funds. This has an impact on the subscriptions and net flows shown for Q1 2022.

(2): In contrast to previous versions of this dashboard, the method to classify funds according to SFDR fund types has been updated to correctly reflect the impact of funds converting from one category to another. This has an impact on the distribution of net assets and net flows classified according to SFDR fund types for previous quarters.

Investment Policy Classification

Funds are classified into different categories based on the stated investment policy from their prospectus. Money market funds (MMFs) invest in short-term assets and have distinct or cumulative objectives offering returns in line with money market rates or preserving the value of the investment. They are authorised as MMF pursuant to article 4 of Regulation (EU) 2017/1131 of the European Parliament and of the Council of 14 June 2017 on money market funds (MMF Regulation). Pension savings funds are funds that have to comply with the relevant investment restrictions from the Belgian fiscal legislation for pension savings funds. Bond funds are funds with the objective to invest principally in fixed income instruments and which are not authorised as MMFs. Equity funds are funds with the objective to invest principally in equity instruments. Mixed funds are funds with the objective to invest in a combination of equity instruments, fixed income instruments and/or cash instruments and which are not registered as a pension savings fund. Structured funds are funds which aim to provide investors, at certain predetermined dates, with algorithm-based payoffs that are linked to the performance, or to the realisation of price changes or other conditions, of financial assets, indices or reference portfolios or funds with similar features. Funds which cannot be classified into one of the previously mentioned categories are classified in a residual category. Funds of funds, which are funds with the objective to invest a substantial proportion of their asset in units of other funds, are classified into an investment policy category according to the asset classes to which they ultimately aim to offer an exposure. Feeder funds, which are funds which invest at least 85% of their assets in units of their master fund, are classified according to the investment policy of their master fund.



SFDR Classification

Funds are classified into different categories based on their sustainability-related disclosures according to the SFDR. The SFDR imposes, among others, pre-contractual disclosure to end investors on sustainable investment objectives and on the promotion of environmental or social characteristics. In this dashboard funds are classified into one of three categories. The first category of funds, article 9 funds, have sustainable investment as their objective. These funds comply with article 9 of the SFDR. The second category of funds, article 8 funds, promote, among other characteristics, environmental or social characteristics, or a combination of those characteristics, provided that the companies in which the investments are made follow good governance practices. These funds comply with article 8 of the SFDR. The remaining funds do not comply with article 8 or 9 of the SFDR and do not have sustainable investment objectives, nor do they promote environmental or social characteristics.

