

# Morningstar Direct™ Japan Asset Flows Update

## Morningstar Research

03 July 2024

Data through June 30, 2024

Japan Open-End Funds ex Exchange-Traded Funds

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## Inflows Bounce Back Over JPY 1.5 Trillion, a Record High Level

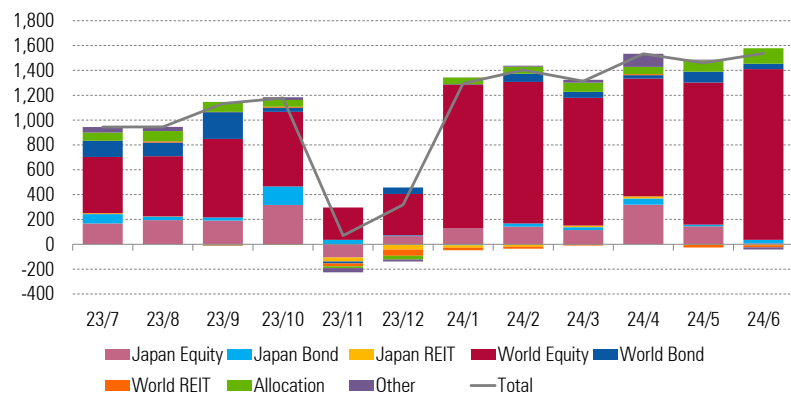
In June, net inflows bounced back to over JPY 1.5 trillion, which they had failed to reach in the previous month, setting a record high. Global equity funds strongly attracted net inflows, exceeding JPY 1 trillion for the second month in a row, while allocation funds were also solid, increasing net inflows from JPY 90 billion to JPY 130 billion. On the other hand, Japan equity funds had net inflows dip below the JPY 10 billion level, the lowest since November 2023 when it suffered net outflows. Although both Japan and world REITs continued to face net outflows, and the “other” category turned to net outflows, none of the outflows were significant. Among the monthly ranking of individual funds by net inflows, global equity and US equity funds showed overwhelming strength, but also Indian equity funds continuously demonstrated popularity, with four Indian equity funds ranking in the top 20 individual fund list.

## Market Summary

(JPY Bil)	Estimated Net Flows*			Total Net Assets	
	06/2024	05/2024	1 Year	06/2024	06/2023
Japan Equity	7.2	145.1	1,686.2	17,113	12,714
Japan Bond	28.0	12.6	451.0	4,041	3,773
Japan REIT	(8.2)	(5.1)	(103.4)	2,338	2,745
World Equity	1,375.4	1,144.8	9,554.0	69,452	45,382
World Bond	42.9	87.6	801.0	13,975	12,219
World REIT	(16.6)	(20.8)	(125.2)	4,688	4,528
Allocation	125.4	88.6	693.2	16,972	14,709
Other	(16.9)	7.2	174.4	2,741	2,158
<b>Total</b>	<b>1,537.1</b>	<b>1,459.9</b>	<b>13,131.2</b>	<b>131,319</b>	<b>98,227</b>

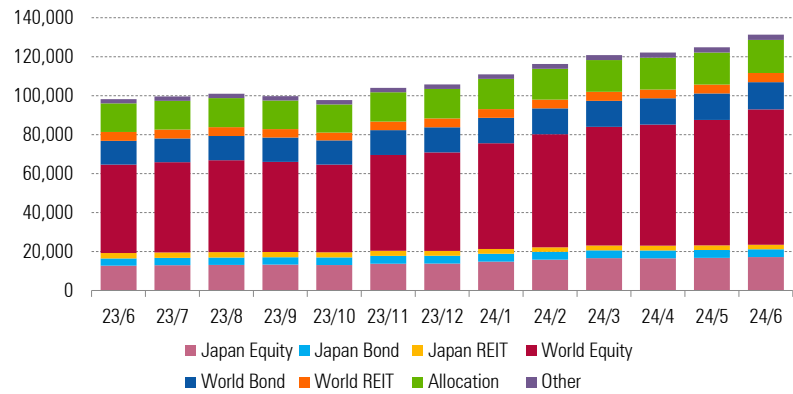
\*Estimated Net Flows in last month and Actual Net Flows in other periods. Source: Morningstar Direct.

## Exhibit 1 Asset-Class Flows During the Past 12 Months (JPY Billion)



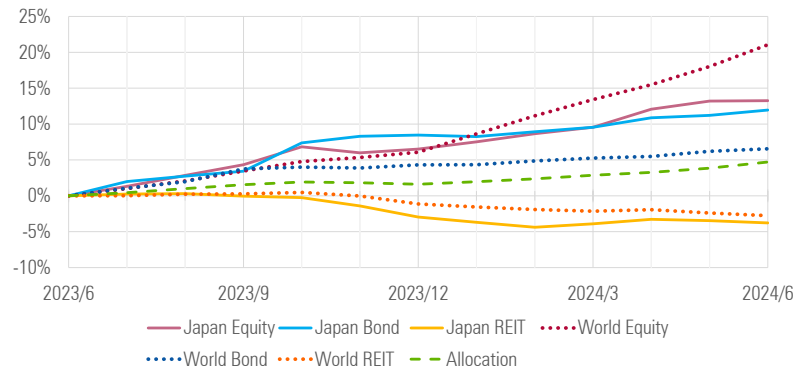
Estimated Net Flows in last month and Actual Net Flows in other periods. Source: Morningstar Direct.

**Exhibit 2** Asset-Class Net Assets During the Past 12 Months (JPY Billion)



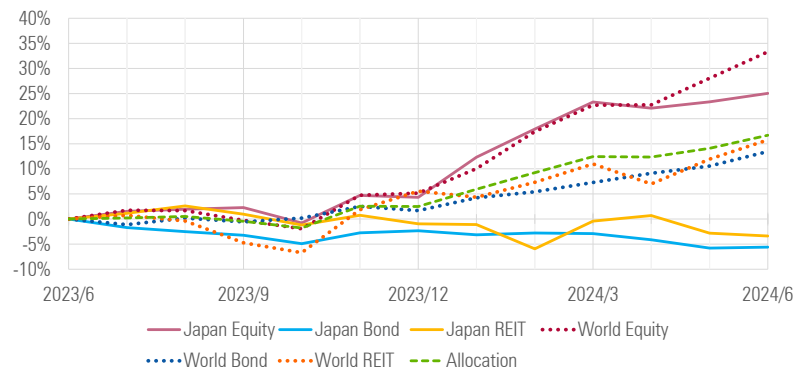
Source: Morningstar Direct.

**Exhibit 3** Cumulative Organic Growth Rate



Organic growth rate is defined as the net flow (Estimated Net Flows in last month and Actual Net Flows) over a period divided by beginning net assets. Source: Morningstar Direct.

**Exhibit 4** Cumulative Performance of Market Indexes\*



\*Morningstar Indexes. See "About Morningstar Indexes" at the back of the book. Source: Morningstar Direct.

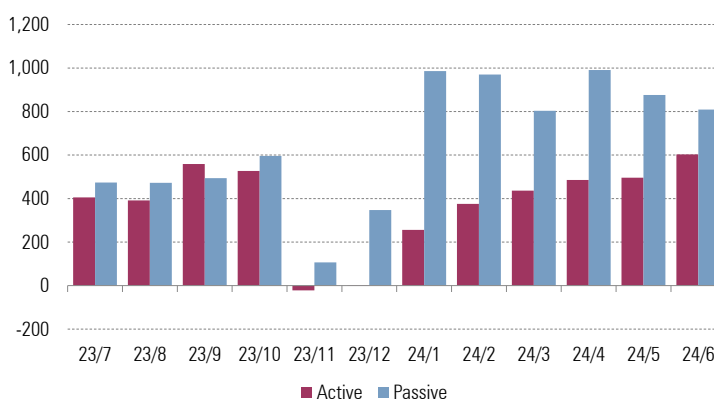
**Active**

(JPY Bil)	Estimated Net Flows*			Total Net Assets	
	06/2024	05/2024	1 Year	06/2024	06/2023
Japan Equity	55.1	97.5	1,064.9	10,892	8,218
Japan Bond	24.3	12.4	353.0	2,624	2,378
Japan REIT	(1.6)	3.4	(64.3)	1,535	1,793
World Equity	560.1	356.5	2,631.8	41,180	30,662
World Bond	13.1	61.8	612.1	11,574	10,221
World REIT	(19.1)	(24.3)	(155.0)	3,995	3,956
Other	(29.2)	(11.8)	71.4	2,100	1,740
<b>Total</b>	<b>602.6</b>	<b>495.5</b>	<b>4,513.9</b>	<b>73,899</b>	<b>58,969</b>

**Passive**

(JPY Bil)	Estimated Net Flows*			Total Net Assets	
	06/2024	05/2024	1 Year	06/2024	06/2023
Japan Equity	(47.8)	47.6	621.2	6,221	4,495
Japan Bond	3.7	0.1	98.0	1,417	1,395
Japan REIT	(6.7)	(8.5)	(39.1)	803	951
World Equity	815.3	788.3	6,922.1	28,272	14,721
World Bond	29.8	25.9	189.0	2,401	1,998
World REIT	2.5	3.5	29.8	693	572
Other	12.3	18.9	103.0	641	417
<b>Total</b>	<b>809.1</b>	<b>875.8</b>	<b>7,924.1</b>	<b>40,448</b>	<b>24,549</b>

\*Estimated Net Flows in last month and Actual Net Flows in other periods exclude Allocation. Source: Morningstar Direct.

**Exhibit 5** Flows for Active and Passive Funds (JPY Billion)

Estimated Net Flows in last month and Actual Net Flows in other periods exclude Allocation. Source: Morningstar Direct.

### Japan Equity: Barely Keeps Inflows, the Smallest in 11 Months

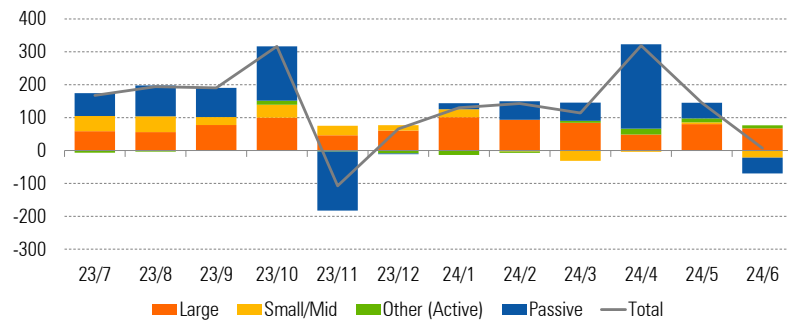
Large-cap funds kept net inflows just under JPY 70 billion, down from JPY 80 billion, and other (active) funds decreased net inflows only slightly from the previous month. But, in overall, net inflows were barely maintained, failing to reach JPY 10 billion. The main cause for the significant drop in net inflows for the second month in a row was that passive funds turned to net outflows of JPY 50 billion.

### Japan Equity

(JPY Bil)	Estimated Net Flows*			Total Net Assets	
	06/2024	05/2024	1 Year	06/2024	06/2023
Large	67.7	80.1	874.5	6,198	4,332
Small/Mid	(21.7)	5.5	172.6	2,641	2,183
Other (Active)	9.1	11.9	17.8	2,054	1,704
Passive	(47.8)	47.6	621.2	6,221	4,495
<b>Total</b>	<b>7.2</b>	<b>145.1</b>	<b>1,686.2</b>	<b>17,113</b>	<b>12,714</b>

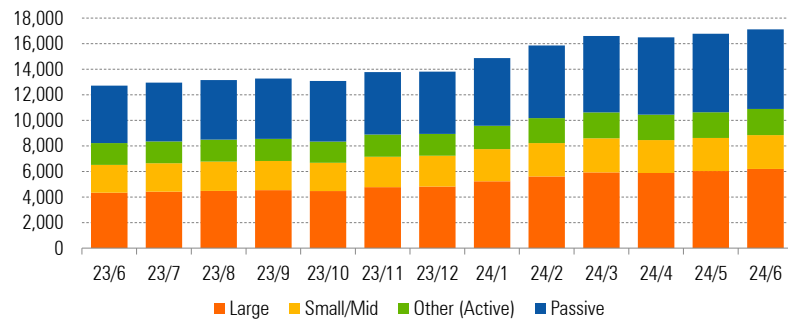
\*Estimated Net Flows in last month and Actual Net Flows in other periods. Categories except Passive are for active funds. Source: Morningstar Direct.

**Exhibit 6** Japan Equity Flows During the Past 12 Months (JPY Billion)



Estimated Net Flows in last month and Actual Net Flows in other periods. Categories except Passive are for active funds. Source: Morningstar Direct.

**Exhibit 7** Japan Equity Net Assets During the Past 12 Months (JPY Billion)



Categories except Passive are for active funds. Source: Morningstar Direct.

### Japan Bond: Wraps Grow Inflows to Just Under JPY 30 Billion

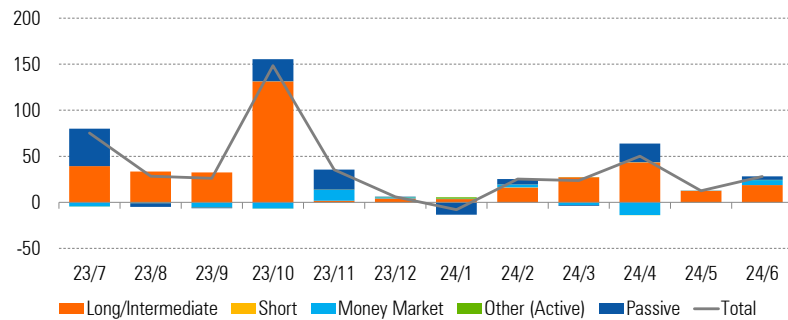
Among funds exclusively sold for wrap accounts, eight funds received more than JPY 1 billion of net inflows. Of the eight funds, two funds saw net inflows of between JPY 5 billion and JPY 10 billion, while one attracted more than JPY 10 billion, which was the main reason for doubling the overall net inflow. Some net inflows were observed among funds used as vehicles to be temporarily pooled money for leveraged funds.

### Japan Bond

(JPY Bil)	Estimated Net Flows*			Total Net Assets	
	06/2024	05/2024	1 Year	06/2024	06/2023
Long/Intermediate	18.7	12.4	363.7	2,507	2,251
Short	(0.3)	0.1	(1.3)	20	21
Money Market	5.3	0.2	(10.7)	38	50
Other (Active)	0.5	(0.3)	1.2	58	56
Passive	3.7	0.1	98.0	1,417	1,395
<b>Total</b>	<b>28.0</b>	<b>12.6</b>	<b>451.0</b>	<b>4,041</b>	<b>3,773</b>

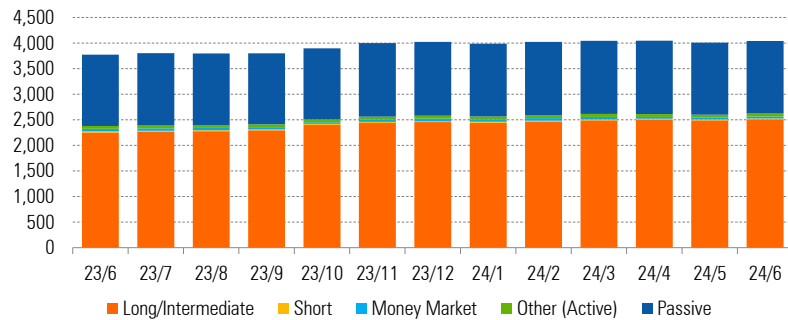
\*Estimated Net Flows in last month and Actual Net Flows in other periods. Categories except Passive are for active funds. Source: Morningstar Direct.

**Exhibit 8** Japan Bond Flows During the Past 12 Months (JPY Billion)



Estimated Net Flows in last month and Actual Net Flows in other periods. Categories except Passive are for active funds. Source: Morningstar Direct.

**Exhibit 9** Japan Bond Net Assets During the Past 12 Months (JPY Billion)



Categories except Passive are for active funds. Source: Morningstar Direct.

**World Equity: North America, India, and Global Bring Another JPY 1 Trillion of Inflows**

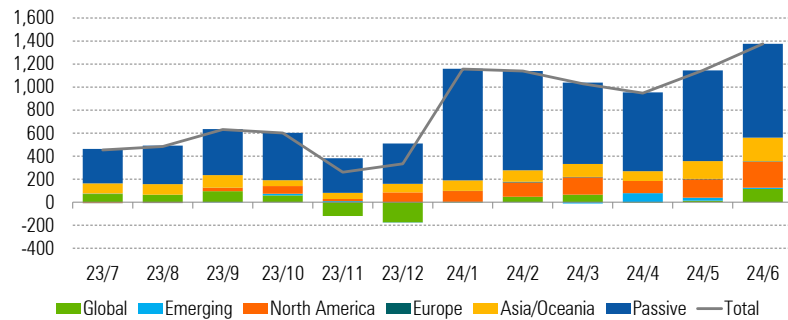
Global funds achieved a solid recovery in net inflows to JPY 120 billion from JPY 10 billion in the previous month. Net inflows to North America funds rose by JPY 60 billion and Asia/Oceania funds increased by JPY 50 billion thanks to buoyant Indian equity funds. As a result, overall net inflows exceeded JPY 1 trillion for the second consecutive month. On the other hand, passive funds were almost the same level as the previous month.

**World Equity**

(JPY Bil)	Estimated Net Flows*			Total Net Assets	
	06/2024	05/2024	1 Year	06/2024	06/2023
Global	115.1	13.1	226.8	27,792	22,246
Emerging	10.5	25.7	126.6	892	644
North America	225.9	159.4	1,046.7	8,385	5,710
Europe	3.8	4.8	13.1	178	144
Asia/Oceania	204.7	153.5	1,218.7	3,934	1,918
Passive	815.3	788.3	6,922.1	28,272	14,721
<b>Total</b>	<b>1,375.4</b>	<b>1,144.8</b>	<b>9,554.0</b>	<b>69,452</b>	<b>45,382</b>

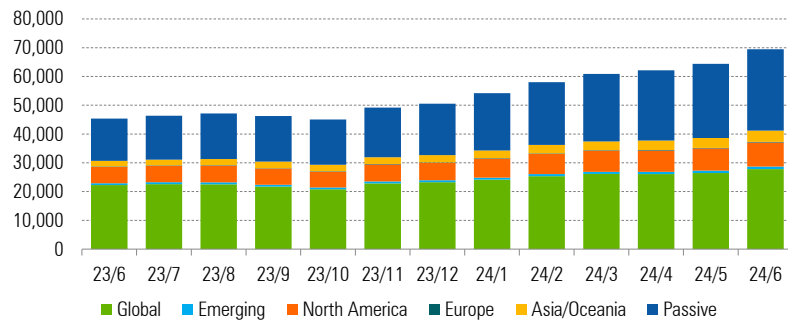
\*Estimated Net Flows in last month and Actual Net Flows in other periods. Categories except Passive are for active funds. Source: Morningstar Direct.

**Exhibit 10 World Equity Flows During the Past 12 Months (JPY Billion)**



Estimated Net Flows in last month and Actual Net Flows in other periods. Categories except Passive are for active funds. Source: Morningstar Direct.

**Exhibit 11 World Equity Net Assets During the Past 12 Months (JPY Billion)**



Categories except Passive are for active funds. Source: Morningstar Direct.

### World Bond: Global Drops Sharply, Others Improve Slightly

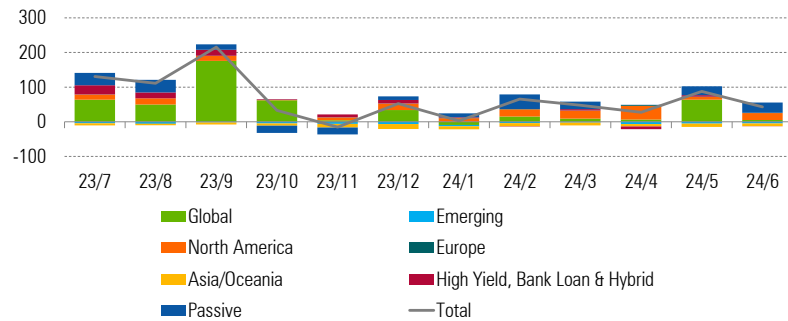
Global bonds maintained net inflows, which sharply fell below JPY 10 billion from JPY 60 billion in the previous month, resulting in halved total net inflows. On the other hand, US and passive bonds increased net inflows slightly from the previous month, and emerging and Asia/Oceania bonds somewhat narrowed net outflows.

#### World Bond

(JPY Bil)	Estimated Net Flows*			Total Net Assets	
	06/2024	05/2024	1 Year	06/2024	06/2023
Global	5.3	63.9	480.8	7,182	6,344
Emerging	(4.8)	(5.3)	(56.4)	554	572
United States	19.6	7.6	195.3	671	430
Europe	0.8	1.1	7.9	69	56
Asia/Oceania	(7.9)	(9.6)	(98.0)	660	687
High Yield, Bank Loan & Hybrid	(0.0)	4.2	82.5	2,438	2,131
Passive	29.8	25.9	189.0	2,401	1,998
<b>Total</b>	<b>42.9</b>	<b>87.7</b>	<b>801.0</b>	<b>13,975</b>	<b>12,219</b>

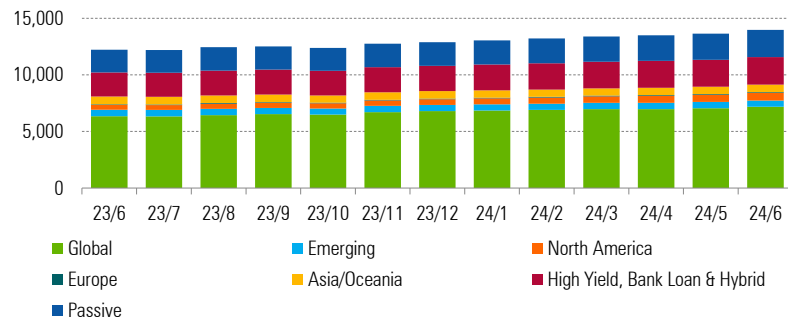
\*Estimated Net Flows in last month and Actual Net Flows in other periods. Categories except Passive are for active funds. Source: Morningstar Direct.

**Exhibit 12** World Bond Flows During the Past 12 Months (JPY Billion)



Estimated Net Flows in last month and Actual Net Flows in other periods. Categories except Passive are for active funds. Source: Morningstar Direct.

**Exhibit 13** World Bond Net Assets During the Past 12 Months (JPY Billion)



Categories except Passive are for active funds. Source: Morningstar Direct.

### Japan/World REIT: A Second Straight Month of Outflows

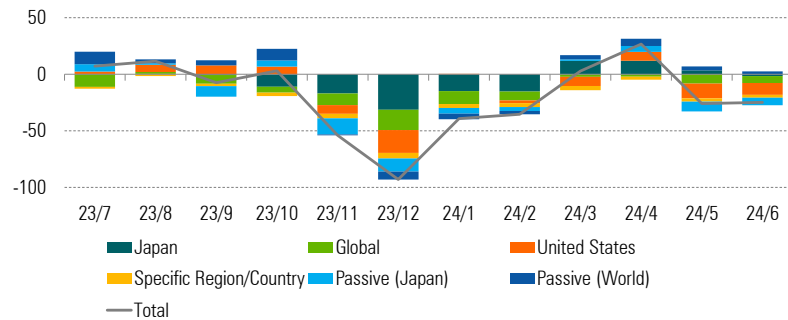
Passive (world) REITs gained a small net inflow, but all other subcategories faced net outflows. In particular, monthly dividend funds, which used to be popular products, experienced net outflows. Overall, net outflows stayed at the JPY mid-20-billion level for the second consecutive month.

### Japan/World REIT

(JPY Bil)	Estimated Net Flows*			Total Net Assets	
	06/2024	05/2024	1 Year	06/2024	06/2023
Japan	(1.6)	3.4	(64.3)	1,535	1,793
Global	(6.1)	(8.3)	(88.6)	1,336	1,306
United States	(10.5)	(13.0)	(30.6)	2,473	2,428
Specific Region/Country	(2.5)	(3.0)	(35.9)	187	223
Passive (Japan)	(6.7)	(8.5)	(39.1)	803	951
Passive (World)	2.5	3.5	29.8	693	572
<b>Total</b>	<b>(24.9)</b>	<b>(25.9)</b>	<b>(228.6)</b>	<b>7,026</b>	<b>7,273</b>

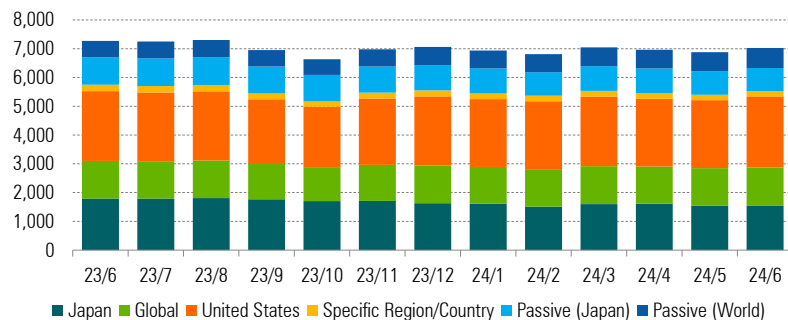
\*Estimated Net Flows in last month and Actual Net Flows in other periods. Categories except Passive (Japan) and Passive (World) are for active funds. Source: Morningstar Direct.

**Exhibit 14** Japan/World REIT Flows During the Past 12 Months (JPY Billion)



Estimated Net Flows in last month and Actual Net Flows in other periods. Categories except Passive (Japan) and Passive (World) are for active funds. Source: Morningstar Direct.

**Exhibit 15** Japan/World REIT Net Assets During the Past 12 Months (JPY Billion)



Categories except Passive (Japan) and Passive (World) are for active funds. Source: Morningstar Direct.



**Allocation: A Second Straight Month of Inflows Led by Moderate and Aggressive**

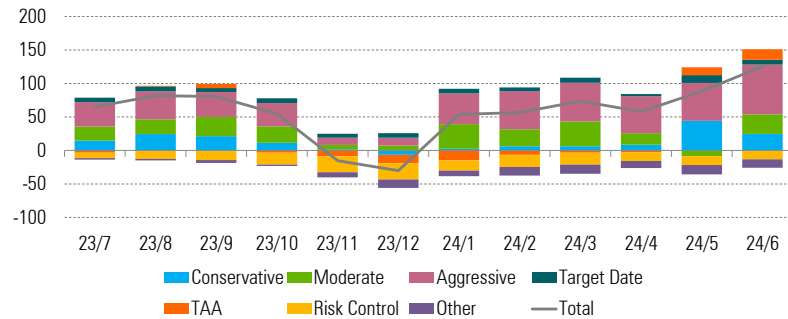
Conservative funds decreased net inflows by JPY 20 billion from the previous month. Moderate funds turned to net inflows, and aggressive funds had solid net inflows of JPY 70 billion, up by JPY 20 billion. Net outflows from risk control have continued since April 2022, and those from the “other” category have also lasted for the 13th consecutive month.

**Allocation**

(JPY Bil)	Estimated Net Flows*			Total Net Assets	
	06/2024	05/2024	1 Year	06/2024	06/2023
Conservative	24.6	44.3	159.6	4,686	4,246
Moderate	29.3	(8.5)	246.9	3,445	2,834
Aggressive	74.2	56.5	519.8	5,181	3,961
Target Date	7.3	11.8	82.0	485	355
TAA	15.7	11.6	(20.6)	1,158	1,091
Risk Control	(13.2)	(13.3)	(191.8)	1,271	1,446
Other	(12.6)	(13.9)	(102.7)	746	776
<b>Total</b>	<b>125.4</b>	<b>88.6</b>	<b>693.2</b>	<b>16,972</b>	<b>14,709</b>

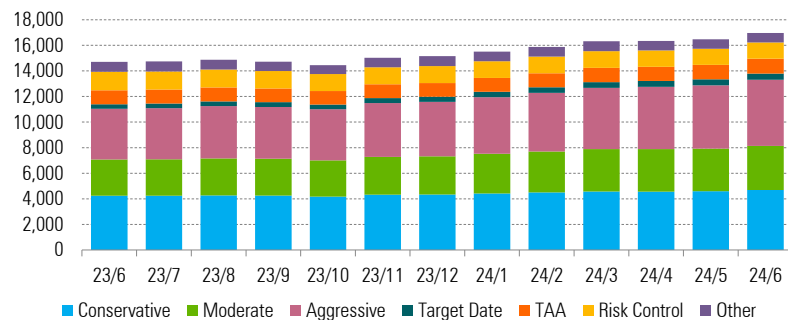
\*Estimated Net Flows in last month and Actual Net Flows in other periods. Source: Morningstar Direct

**Exhibit 16** Allocation Flows During the Past 12 Months (JPY Billion)



Estimated Net Flows in last month and Actual Net Flows in other periods. Source: Morningstar Direct.

**Exhibit 17** Allocation Net Assets During the Past 12 Months (JPY Billion)



Source: Morningstar Direct.

# Monthly Market Summary: Ranked by Net Flows (1 Month)

**Effective Date**  
06-30-2024

<b>Top 20 Funds</b>							
Fund Name / Firm Name	<b>Net Flows (JPY Bil)</b>		<b>Net Assets (JPY Bil)</b>		<b>Return (%)</b>		
	1 Month	1 Year	06/2024	06/2023	1 Month	1 Year	
1 MUAM eMAXIS Slim All World Equity All Country / Mitsubishi UFJ Asset Management Co.,Ltd	196.21	1,813.10	3,832.1	1,251.1	5.8	34.4	
2 MUAM eMAXIS Slim US Equity S&P 500 / Mitsubishi UFJ Asset Management Co.,Ltd	168.25	1,477.53	5,106.4	2,355.7	7.7	40.3	
3 AllianceBernstein US Growth Equity Fund D D1M UnHdg Expected Div Offer / AllianceBernstein Japan Ltd	129.91	739.44	3,087.7	2,009.4	8.3	46.3	
4 HSBC India Infrastructure Equity Open / HSBC Asset Management (Japan) Limited	65.45	260.84	339.2	11.4	8.1	76.0	
5 Nomura World Sector Investment Series World Semiconductor Equity Investment / Nomura Asset Management Co Ltd	56.72	209.80	419.2	76.9	11.4	103.1	
6 Invesco Global Select Equity Open (Unhedged / MD) / INVESCO Asset Management (Japan) Limited	55.35	740.90	1,491.3	641.5	3.4	31.3	
7 AllianceBernstein US Growth Equity Fund B UnHdg / AllianceBernstein Japan Ltd	38.38	209.10	1,437.1	816.8	8.4	46.7	
8 Daiwa Dynamic India Equity Fund / Daiwa Asset Management Co Ltd	37.88	224.56	299.8	38.5	9.7	44.6	
9 Fidelity Global Value Advance Equity Fund B UnHedged / FIL Investments (Japan) Limited	30.17	203.66	876.7	506.3	0.6	28.1	
10 Fidelity Global Value Advance Equity Fund D Dividend 1 Month EDO UnHedged / FIL Investments (Japan) Limited	29.20	167.85	254.7	80.5	0.6	27.6	
11 Aozora New Global Diversified Fund (Qualified Open End) 2024-04 / Aozora Investment Management Co.,Ltd.	27.38	69.59	69.7	---	0.2	---	
12 Rakuten S&P500 Index Fund / Rakuten Investment Management Inc	27.10	191.75	225.4	---	7.7	---	
13 SBI V S&P 500 Index Fund / SBI Asset Management Co Ltd	26.27	292.41	1,784.4	1,011.0	7.7	40.2	
14 Nikko Tracers S&P500 Top 10 Index Fund / Nikko Asset Management Co Ltd	21.26	30.71	32.7	---	12.0	---	
15 Daiwa iFreeNEXT FANG+ Index / Daiwa Asset Management Co Ltd	21.00	152.86	241.5	28.7	12.7	65.8	
16 Amundi India Small Cap Select Equity Fund / Amundi Japan Ltd	20.21	89.30	101.5	---	9.5	---	
17 Nomura Nomu Wrap Fund Neutral / Nomura Asset Management Co Ltd	19.83	113.18	439.2	278.0	3.1	14.4	
18 Rakuten All Country Equity Index Fund / Rakuten Investment Management Inc	19.31	145.06	167.0	---	5.7	---	
19 MUAM Next Generation US Representing Equity Fund / Mitsubishi UFJ Asset Management Co.,Ltd	18.02	69.62	136.7	65.4	6.5	36.5	
20 AMOne Shinko Pure India Equity Fund / Asset Management One Co., Ltd.	17.74	134.66	246.7	61.7	10.0	39.9	

\*New Funds in last month.

Estimated Net Flows in last month and Actual Net Flows in other periods. Source: Morningstar Direct.

# Monthly Market Summary: Ranked by Net Flows (1 Year)

**Effective Date**  
06-30-2024

<b>Top 20 Funds</b>							
Fund Name / Firm Name	Net Flows (JPY Bil)		Net Assets (JPY Bil)		Return (%)		
	1 Month	1 Year	06/2024	06/2023	1 Month	1 Year	
1 MUAM eMAXIS Slim All World Equity All Country / Mitsubishi UFJ Asset Management Co.,Ltd	196.21	1,813.10	3,832.1	1,251.1	5.8	34.4	
2 MUAM eMAXIS Slim US Equity S&P 500 / Mitsubishi UFJ Asset Management Co.,Ltd	168.25	1,477.53	5,106.4	2,355.7	7.7	40.3	
3 Invesco Global Select Equity Open (Unhedged / MD) / INVESCO Asset Management (Japan) Limited	55.35	740.90	1,491.3	641.5	3.4	31.3	
4 AllianceBernstein US Growth Equity Fund D D1M UnHdg Expected Div Offer / AllianceBernstein Japan Ltd	129.91	739.44	3,087.7	2,009.4	8.3	46.3	
5 SBI V S&P 500 Index Fund / SBI Asset Management Co Ltd	26.27	292.41	1,784.4	1,011.0	7.7	40.2	
6 HSBC India Infrastructure Equity Open / HSBC Asset Management (Japan) Limited	65.45	260.84	339.2	11.4	8.1	76.0	
7 Daiwa Dynamic India Equity Fund / Daiwa Asset Management Co Ltd	37.88	224.56	299.8	38.5	9.7	44.6	
8 SMTAM Semiconductor Related World Equity Strategy Fund * / Sumitomo Mitsui Trust Asset Management Co., Ltd.	9.54	213.85	274.3	---	6.8	---	
9 Nomura World Sector Investment Series World Semiconductor Equity Investment / Nomura Asset Management Co Ltd	56.72	209.80	419.2	76.9	11.4	103.1	
10 AllianceBernstein US Growth Equity Fund B UnHdg / AllianceBernstein Japan Ltd	38.38	209.10	1,437.1	816.8	8.4	46.7	
11 Fidelity Global Value Advance Equity Fund B UnHedged / FIL Investments (Japan) Limited	30.17	203.66	876.7	506.3	0.6	28.1	
12 Rakuten S&P500 Index Fund * / Rakuten Investment Management Inc	27.10	191.75	225.4	---	7.7	---	
13 Rakuten Whole US Equity Index Fund / Rakuten Investment Management Inc	15.59	183.09	1,642.6	1,019.4	7.1	38.4	
14 Fidelity Global Value Advance Equity Fund D Dividend 1 Month EDO UnHedged / FIL Investments (Japan) Limited	29.20	167.85	254.7	80.5	0.6	27.6	
15 SMDS Nikko FW Japan Bond Fund / Sumitomo Mitsui DS Asset Management Company, Limited	3.13	155.91	501.6	366.1	(0.0)	(4.8)	
16 Daiwa iFreeNEXT FANG+ Index / Daiwa Asset Management Co Ltd	21.00	152.86	241.5	28.7	12.7	65.8	
17 Eastspring India Consumption Related Fund / Eastspring Investments Limited	15.16	152.63	288.9	83.0	8.4	41.4	
18 Rakuten All Country Equity Index Fund * / Rakuten Investment Management Inc	19.31	145.06	167.0	---	5.7	---	
19 Nissay NASDAQ100 Index Fund <No Front/Deferred Load> / Nissay Asset Management Corporation	15.07	144.75	188.1	6.5	9.7	47.9	
20 AMOne Shinko Pure India Equity Fund / Asset Management One Co., Ltd.	17.74	134.66	246.7	61.7	10.0	39.9	

\*New Funds in last month.

Estimated Net Flows in last month and Actual Net Flows in other periods. Source: Morningstar Direct.

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**Note**

All data in this reports is based on data in Morningstar Direct. Net Flows are Estimated Net Flows in last month and Actual Net Flows in other periods. Monthly Estimated Net Flows are aggregate of daily Estimated Net Flows. Actual Net Flows are provided by The Investment Trusts Association, Japan.

**About Morningstar Index**

We use the following Morningstar Indexes as Market Indexes. Morningstar Index is provided by Morningstar, Inc. All rights reserved.

Japan Equity	Morningstar Japan GR
Japan Bond	Morningstar Japan Treasury Bond GR
Japan REIT	Morningstar Japan REIT GR
World Equity	Morningstar Developed Markets GR
World Bond	Morningstar Global Treasury Bond GR
World REIT	Morningstar Developed Markets REIT GR
Allocation	Morningstar Japan Moderate Target Allocation NR



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