

Follow The Flow

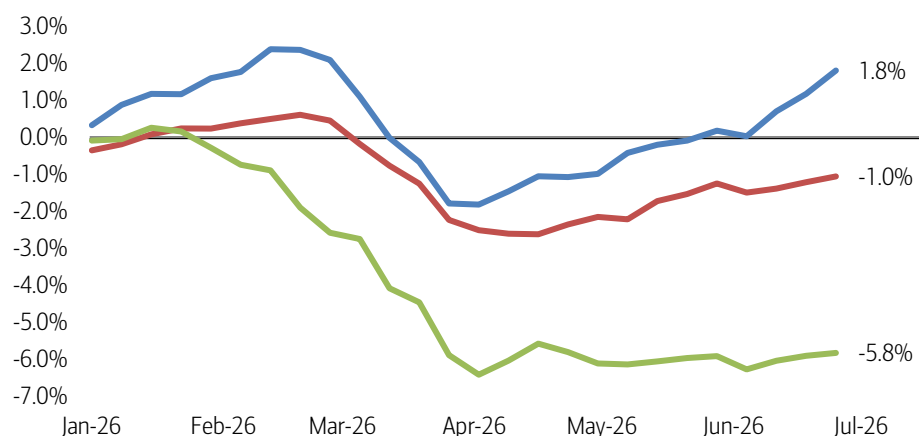
Strong summer technicals

Flows continue into high-grade and high-yield funds

Inflows into credit funds continued uninterrupted for another week. Both IG and HY funds recorded inflows, while flow trends slowed notably for government bond and money market funds. Overall, fixed income funds have continued to see strong inflows for 21 consecutive weeks, as higher yields incentivise investors to increase bond allocations in their portfolios.

Exhibit 1: Euro-focus HY funds have seen stronger flow trends than US and Globally-focused funds

European domiciled HY funds, split based on fund focus



Source: EPFR Global. Cumulative weekly flow in % of AUM terms

BofA GLOBAL RESEARCH

Over the past week...

High grade funds recorded their fifth consecutive week of inflows. Mid-term funds recorded their 20th consecutive week of inflows, while short term funds registered their third. Long term funds saw another week of outflows, the eight over the past eleven weeks. High grade ETFs registered inflows this week, also continuing a 21-week run of inflows.

High yield funds recorded their sixth consecutive week of inflows. Within European-domiciled HY funds, Global-focussed HY funds recorded strong inflows last week. Euro-focussed HY funds suffered heavier outflows than peers, while US-focussed HY funds also recorded outflows last week. HY ETFs saw outflows over the previous week breaking three straight weeks of inflows.

Government bond funds registered marginal inflows this week; a nine-week streak of inflows. **Money market funds** also registered marginal inflows. **Global EM debt funds** registered sizable inflows for another week.

Overall, **fixed income** funds registered inflows for another week; extending a 21-week streak of inflows. Over the previous week, and ending a three-week run of inflows, Equity funds suffered from outflows. However, equity ETFs decoupled, continuing to register strong inflows over the past week.

BofA Securities does and seeks to do business with issuers covered in its research reports. As a result, investors should be aware that the firm may have a conflict of interest that could affect the objectivity of this report. Investors should consider this report as only a single factor in making their investment decision. Refer to important disclosures on page 6 to 8.

28 August 2026

Credit Strategy
Europe

Ioannis Angelakis
Credit Derivatives Strategist
MLI (UK)
+44 20 7996 0059
ioannis.angelakis@bofa.com

Barnaby Martin
Credit Strategist
MLI (UK)
+44 20 7995 0458
barnaby.martin@bofa.com

Mohit Agarwalla
Credit Strategist
MLI (UK)
mohit.agarwalla@bofa.com

Table 1: Weekly and YTD European retail flows

Weekly fund flows data across assets

Sector	This Week	1		YTD (%)
		Wk (%)	YTD	
HY	\$155	0.0%	\$493	0.1%
HY (ETFs)	(\$170)	(0.4%)	\$3,213	7.0%
IG	\$770	0.0%	\$42,536	2.0%
in euros	(\$14)	(0.0%)	\$16,725	1.5%
in sterling	\$40	0.0%	\$1,177	0.4%
in usd	\$10	0.0%	\$12,033	3.5%
IG (ETFs)	\$195	0.1%	\$17,277	6.8%
Loan	\$75	0.4%	\$3,255	18.6%
Govies	\$31	0.0%	\$50,316	6.0%
Fixed Income	\$1,734	0.0%	\$122,134	3.3%
MM	\$313	0.0%	\$120,275	5.1%
Equities	(\$150)	(0.0%)	(\$16,449)	(0.8%)
Equities (ETFs)	\$1,247	0.2%	\$28,263	4.6%
Commodities	\$2,952	1.0%	\$16,713	5.8%
Global EM debt	\$3,001	0.4%	\$36,568	5.1%

Source: EPFR Global. In \$mn; week ending 26th August. Data refers to European domiciled funds, except for EM debt funds that refer to global. Some IG funds can also allocate to government bonds. Note that IG funds are also split into other currencies away from Euro, USD and GBP.

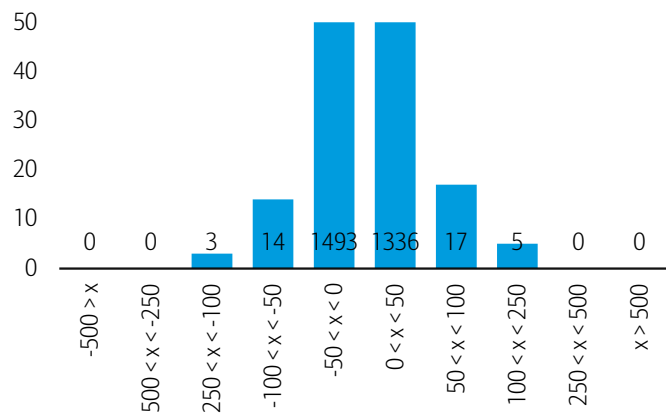
BofA GLOBAL RESEARCH

Flow chartbook

Weekly Flow Distributions per asset class

Exhibit 2: Distribution of IG fund flows (\$mn) over the past week

The flow trend is dispersed across funds

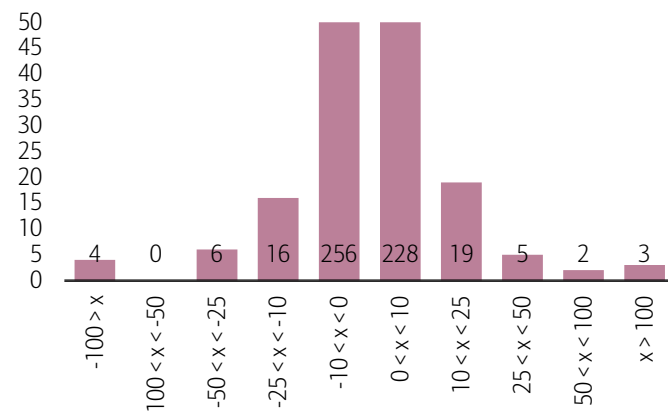


Source: EPFR Global. The height of each column represents the number of funds with weekly flow within a given bucket

BofA GLOBAL RESEARCH

Exhibit 3: Distribution of HY fund flows (\$mn) over the past week

The flow trend is dispersed across funds

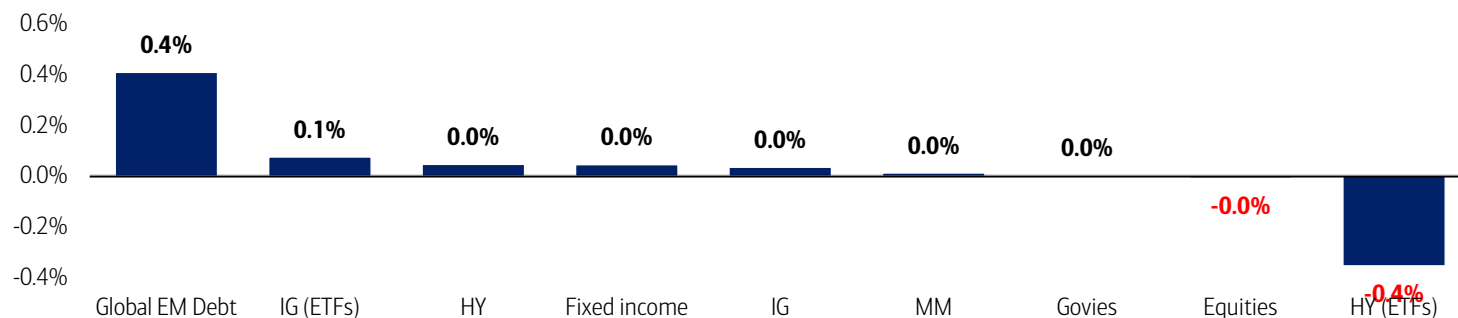


Source: EPFR Global. The height of each column represents the number of funds with weekly flow within a given bucket

BofA GLOBAL RESEARCH

Exhibit 4: Weekly flows (by % of AUM)

Inflow (outflow) per asset class in the past week.



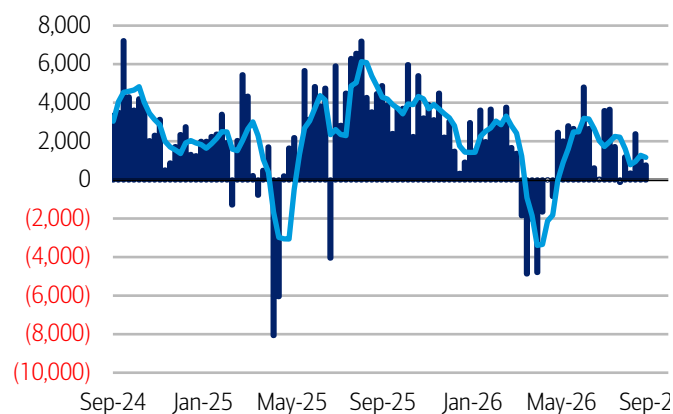
Source: EPFR Global. Except EM debt, references European-domiciled funds.

BofA GLOBAL RESEARCH

Weekly and Monthly flows per asset class

Exhibit 5: Investment grade weekly inflows/outflows

Last week's 4w average was \$1.2bn

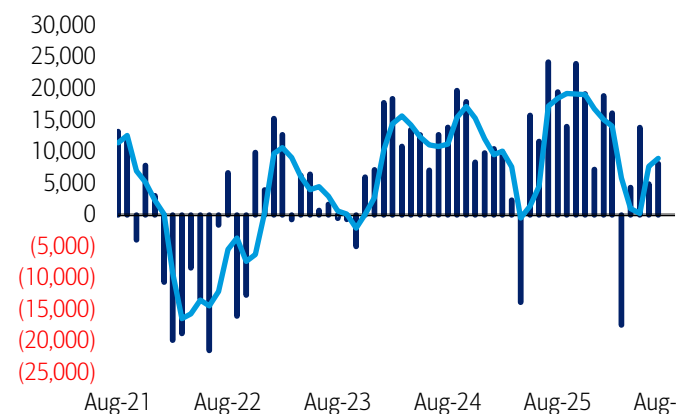


Source: EPFR Global. Blue line is 4wk average

BofA GLOBAL RESEARCH

Exhibit 6: Investment grade monthly inflows/outflows

July 26's quarterly average has been \$9bn



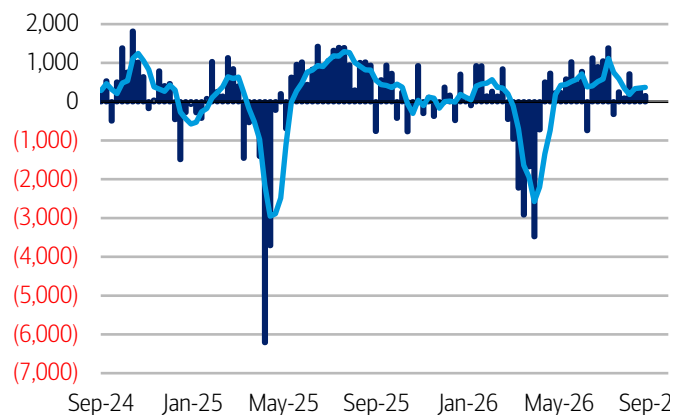
Source: EPFR Global. Blue line is quarterly average.

BofA GLOBAL RESEARCH



Exhibit 7: High yield weekly inflows/outflows

Last week's 4w average was \$0.4bn

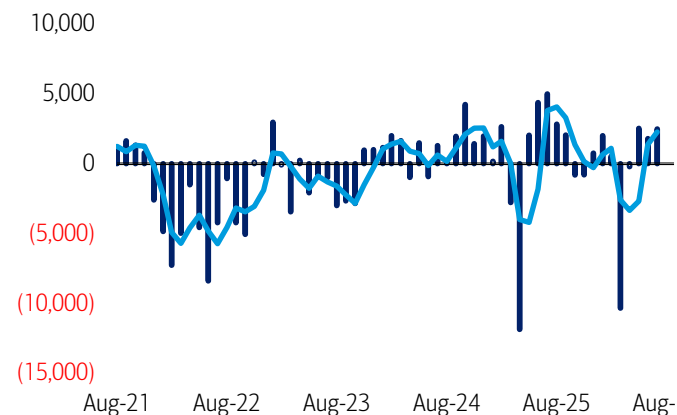


Source: EPFR Global. Blue line is 4wk average

BofA GLOBAL RESEARCH

Exhibit 8: High yield monthly inflows/outflows

July 26's quarterly average has been \$2.3bn

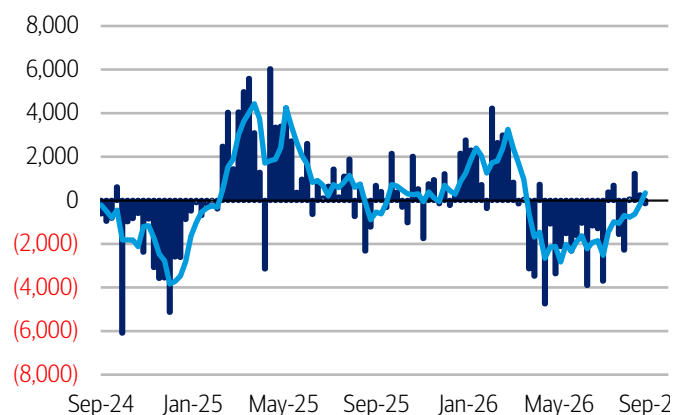


Source: EPFR Global. Blue line is quarterly average.

BofA GLOBAL RESEARCH

Exhibit 9: Equity weekly inflows/outflows

Last week's 4w average was \$0.3bn

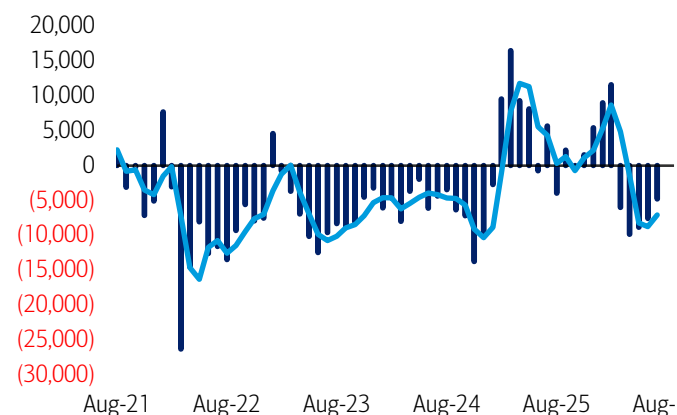


Source: EPFR Global. Blue line is 4wk average

BofA GLOBAL RESEARCH

Exhibit 10: Equity monthly inflows/outflows

July 26's quarterly average has been \$-7.1bn

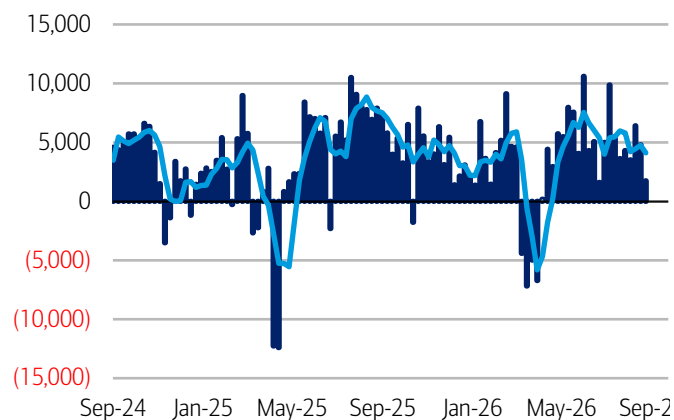


Source: EPFR Global. Blue line is quarterly average.

BofA GLOBAL RESEARCH

Exhibit 11: Fixed income weekly inflows/outflows

Last week's 4w average was \$4.1bn

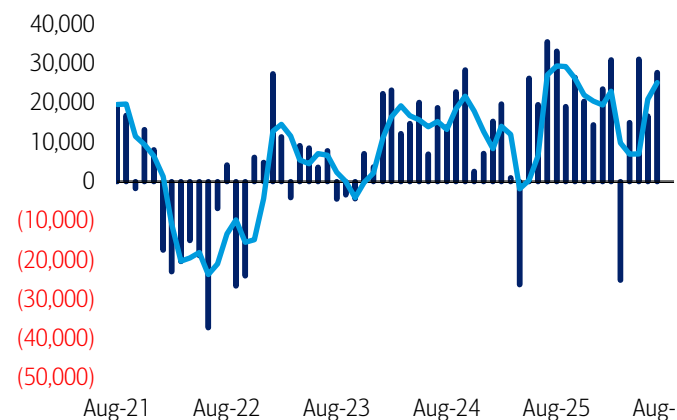


Source: EPFR Global. Blue line is 4wk average

BofA GLOBAL RESEARCH

Exhibit 12: Fixed income monthly inflows/outflows

July 26's quarterly average has been \$25.2bn



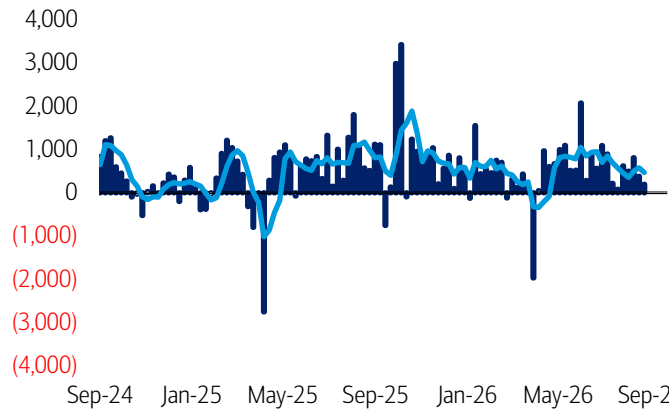
Source: EPFR Global. Blue line is quarterly average.

BofA GLOBAL RESEARCH

Weekly ETF flows

Exhibit 13: IG ETF inflows/outflows

Last week's 4w average was \$0.5bn

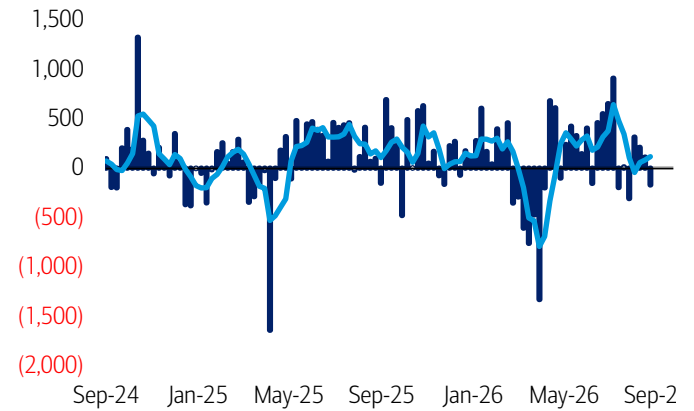


Source: EPFR Global.

BofA GLOBAL RESEARCH

Exhibit 14: HY ETF inflows/outflows

Last week's 4w average was \$-0.2bn

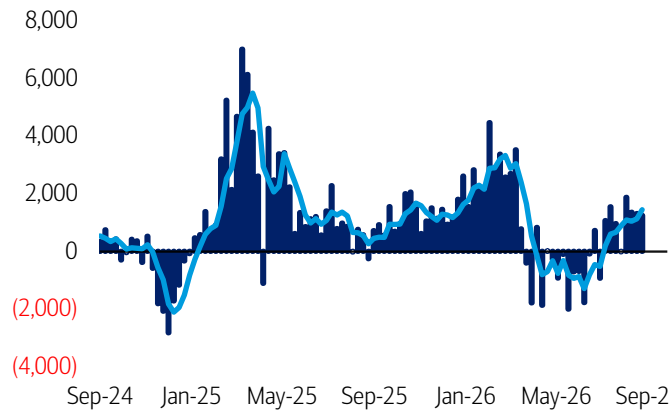


Source: EPFR Global.

BofA GLOBAL RESEARCH

Exhibit 15: Equity ETF inflows/outflows

Last week's 4w average was \$1.4bn

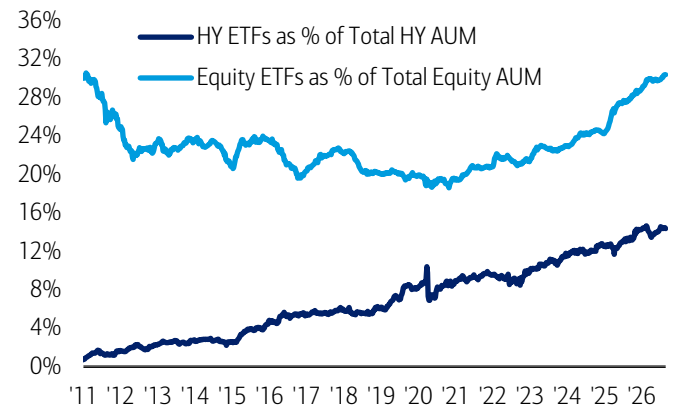


Source: EPFR Global.

BofA GLOBAL RESEARCH

Exhibit 16: ETFs continue to have room to grow in credit

% of total AUM per asset class that is ETFs

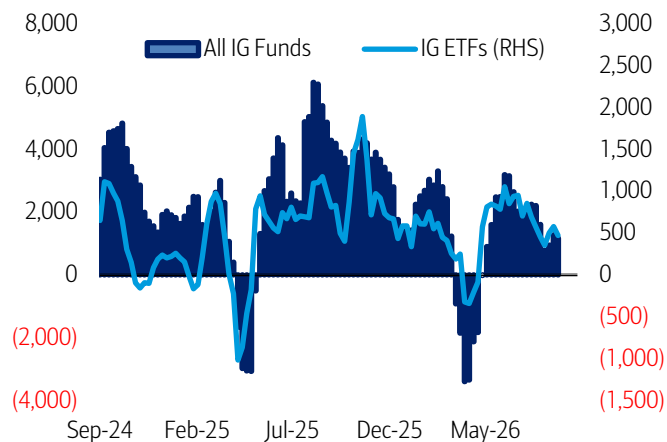


Source: EPFR Global

BofA GLOBAL RESEARCH

Exhibit 17: Trend in IG ETFs similar to that in all IG funds

4wk Average fund flows into HY funds vs only ETFs

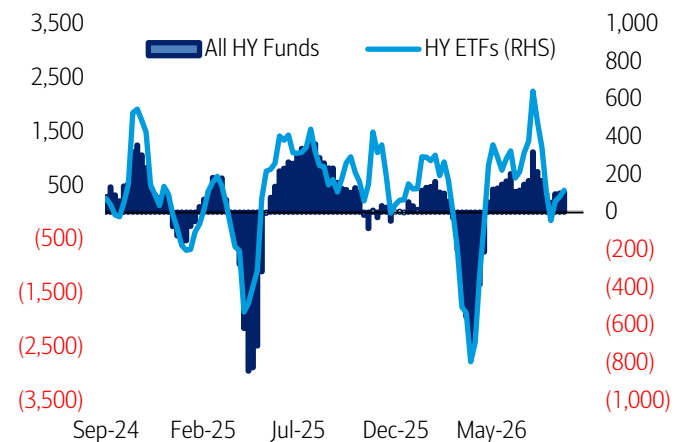


Source: EPFR Global. European domiciled funds only.

BofA GLOBAL RESEARCH

Exhibit 18: Trend in HY ETFs similar to that in all HY funds

4wk Average fund flows into HY funds vs only ETFs



Source: EPFR Global. European domiciled funds only.

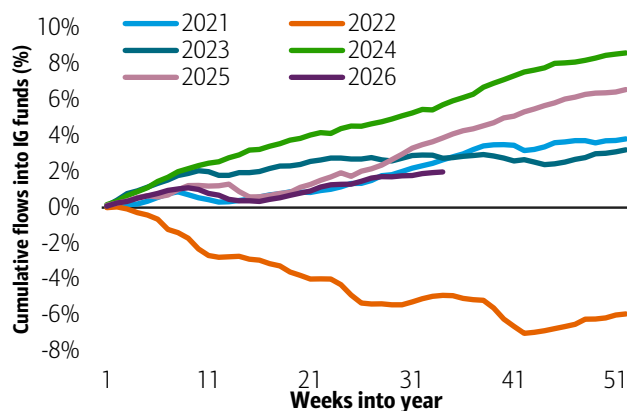
BofA GLOBAL RESEARCH



Cumulative flows (% of AUM)

Exhibit 19: Cumulative AUM increase/decrease (High grade)

High-grade funds have seen inflows YTD of +2.0%.

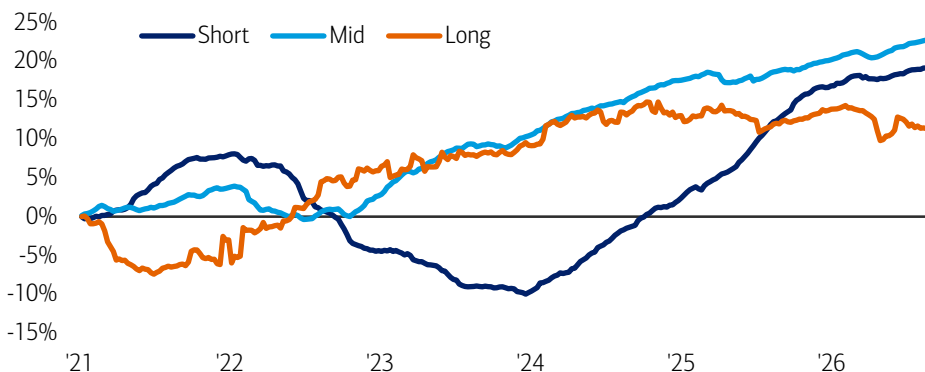


Source: EPFR Global.

BofA GLOBAL RESEARCH

Exhibit 21: IG flows by maturity - Cumulative weekly flows (% of AUM)

Mid-term IG funds have recently started to see stronger flows vs short term funds



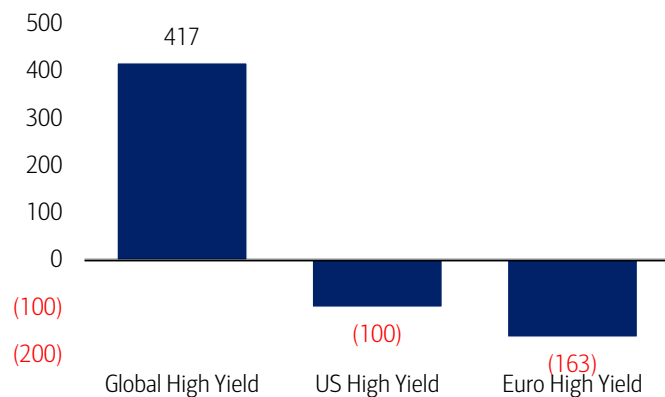
Source: EPFR Global. Maturity segments: short-term funds: up to 4yr; mid-term funds: 4-6yr; long-term funds: >6yr

BofA GLOBAL RESEARCH

HY flows by fund focus

Exhibit 22: European domiciled HY fund flows, split by fund focus

For European domiciled funds, Global, US and Euro-focussed funds saw \$417mn, \$-100mn, \$-163mn respectively



Source: EPFR Global, BofA Global Research. Cumulative since Jan 2018.

We classify the funds following their nomenclature. "US High Yield" includes all "US" and "USD", "Euro High Yield" includes all "Europe", "Euro" and "Sterling"

BofA GLOBAL RESEARCH

Exhibit 23: European domiciled HY fund flows, split by fund focus

Weekly cumulative fund flows (\$mn)



Source: EPFR Global, BofA Global Research. Cumulative since Jan 2018.

We classify the funds following their nomenclature. "US High Yield" includes all "US" and "USD", "Euro High Yield" includes all "Europe", "Euro" and "Sterling"

BofA GLOBAL RESEARCH