



BlackRock Global ETP Landscape

Monthly Snapshot | April 2018



Summary

Global ETP flows in April were fueled by Fixed Income

- April industry flows of \$35.4bn doubled in comparison to \$17.7bn in March as flows into Fixed Income funds accelerated and U.S. equity flows turned positive after two months of outflows
- Global fixed income flows during April reached \$17.3bn - a ten-month high - diversified across U.S. Treasuries with 6.6bn, investment grade corporate with \$3.2bn and broad multi-sector funds with \$3.0bn
- U.S. equities added \$6.9bn compared to the redemption activity of (\$7.1bn) from last month amid a strong U.S. earnings season
- Gold flows scaled to \$2.9bn - the highest since July 2016 – indicating demand for perceived safe-haven categories alongside the U.S. Treasury flows mentioned above

BlackRock ETP Research

A cross-regional team analyzing global markets to deliver insights on the intersection of investment trends and ETP flows

For inquiries, please email ETPResearch@BlackRock.com

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Global ETP Highlights

Global ETPs gathered \$35.4bn during April, fueled by **Fixed Income** funds with \$17.3bn, **U.S. Equities** with \$6.9bn and **Emerging Markets Equities** with \$6.5bn, while **European Equities** shed (\$5.7bn).

Fixed Income had its strongest month since June 2017 led by **U.S. Treasuries** with \$6.6bn, focused in short maturities, while **Investment Grade Corporate** brought in \$3.2bn amid the backdrop of rising U.S. interest rates and a strong earnings season.

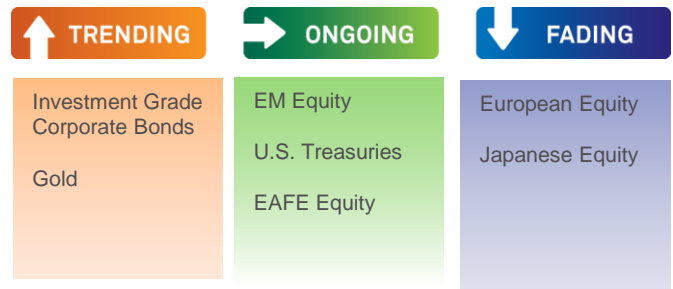
Gold funds collected \$3.0bn. Traditionally viewed as a safe-haven asset, gold flows strengthened amid geopolitical tensions including trade tensions between the U.S. and other countries, and strained relationships in the Middle East.

Emerging Markets (EM) Equities generated \$6.5bn focused in broad funds with \$3.8bn bringing the year-to-date flows to \$29.5bn. EM central banks have been easing, creating a supportive macro environment for EM growth.

European Equities saw continued outflows of (\$5.7bn) concentrated Broad European and Eurozone funds with (\$4.8bn) and German Equities with (\$0.9bn). European Equity funds have lost (\$11.5bn) over the past two months, the first sequential outflows since late 2016.

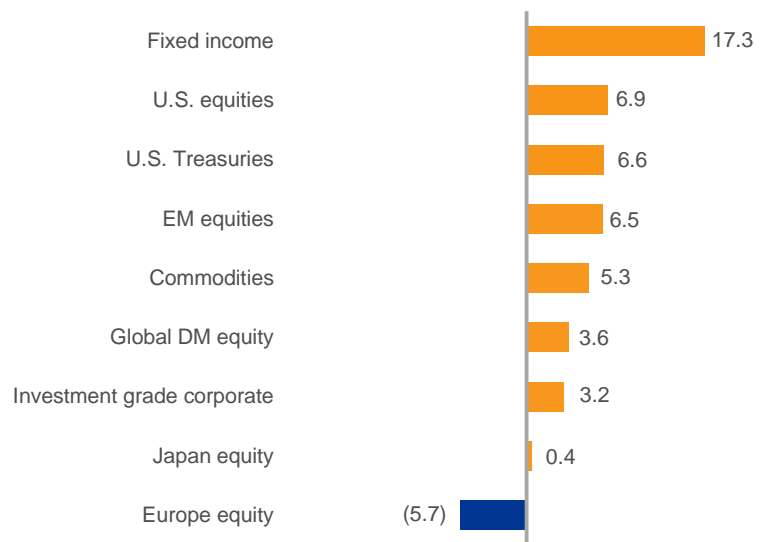
Japanese Equity flows slowed to \$0.4bn this month from \$13.6bn in the prior month as the Yen grew modestly stronger. Bank of Japan policy remains steady.

Key investment themes / ETP flow trends



Global ETP Flows by Asset Class & Exposure¹

April 2018 flows: \$35.5bn

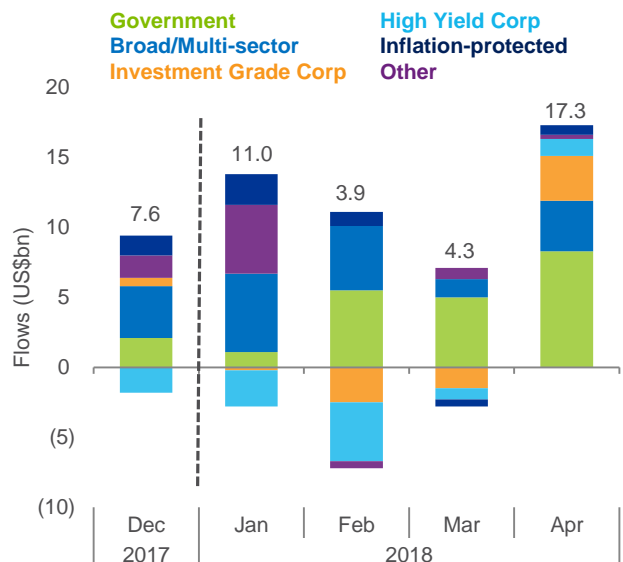


Spotlight on Fixed Income ETPs¹

As investors consider the prospect of rising rates, Fixed Income ETPs gathered a robust \$17.3bn, the highest in 10 months.

1. Short-maturity funds, which tend to have lower sensitivity to rising interest rates, gathered \$7.0bn making it the strongest month since January 2016. Short-maturity U.S. Treasury funds led with \$4.0bn followed by short-maturity Investment Grade Corporate funds with \$2.2bn.
2. U.S. Treasury funds exhibited strength across all maturity profiles including long-term with \$1.6bn, intermediate-term with \$1.0bn and the aforementioned short-term with \$4.0bn.
3. Investment Grade Corporate bond funds saw strong flows of \$3.2bn in April after 3 months of outflows

Global Fixed Income ETP NNB by Category



Year-to-date Overview

RESULTS AT A GLANCE¹

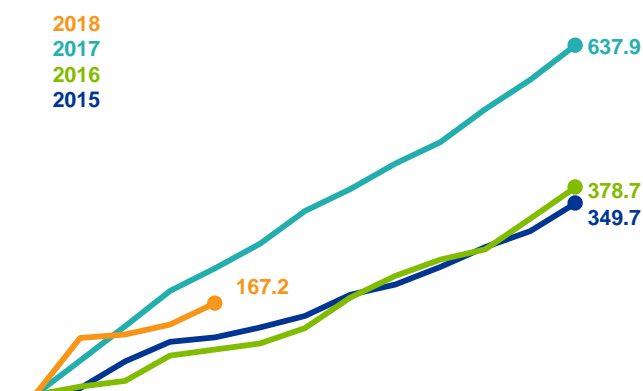
(US\$bn)	Apr 2018	Apr 2017	Dec 2017
Monthly flows	35.4	40.1	63.0
Year-to-date flows	167.2	228.6	637.9
Assets	4,887	3,944	4,756
# of ETPs	6,685	6,131	5,993

SMART BETA FLOWS BY TYPE¹

(US\$bn)	Apr 2018 Flows	2018 YTD Flows	Current Assets
Dividend	1.7	4.0	194
Multi-Factor	0.5	5.5	80
Low Volatility	0.4	(0.1)	56
Equal Weight	(0.2)	1.5	54
Single Factor	(0.2)	3.5	46
Fixed Income	0.1	0.4	11
Grand Total	2.3	14.8	441

CUMULATIVE ETP FLOWS¹

Year-to-date flows: \$167.2bn

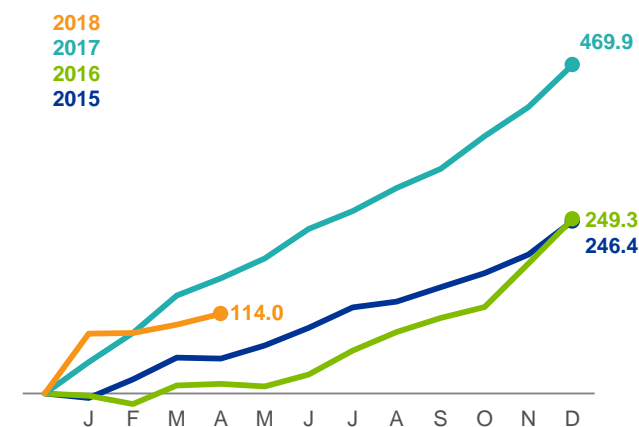


GLOBAL 13-MONTH ROLLING FLOWS¹



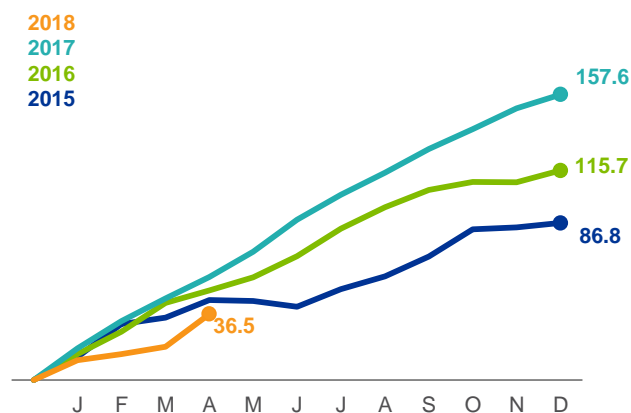
CUMULATIVE EQUITY ETP FLOWS¹

Year-to-date flows: \$114.0bn



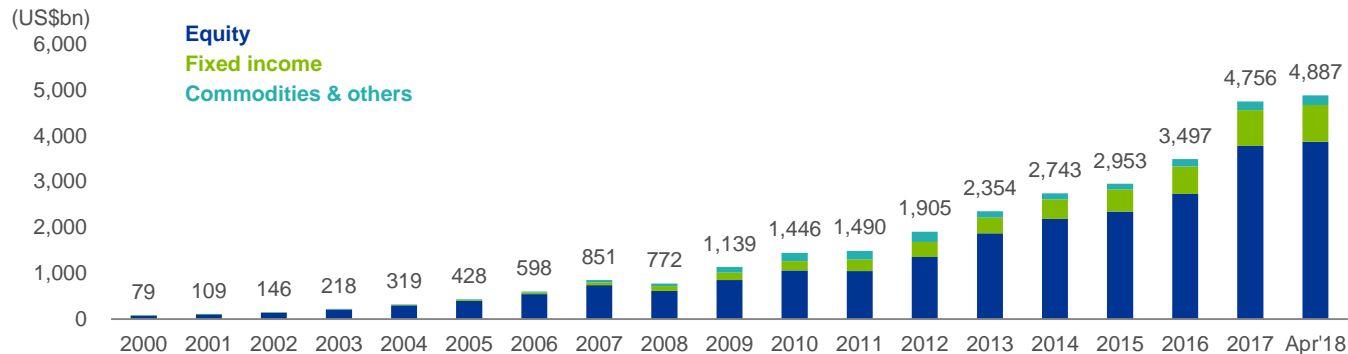
CUMULATIVE FIXED INCOME ETP FLOWS¹

Year-to-date flows: \$36.5bn



Year-to-date Overview (cont'd)

GLOBAL ETP ASSETS¹



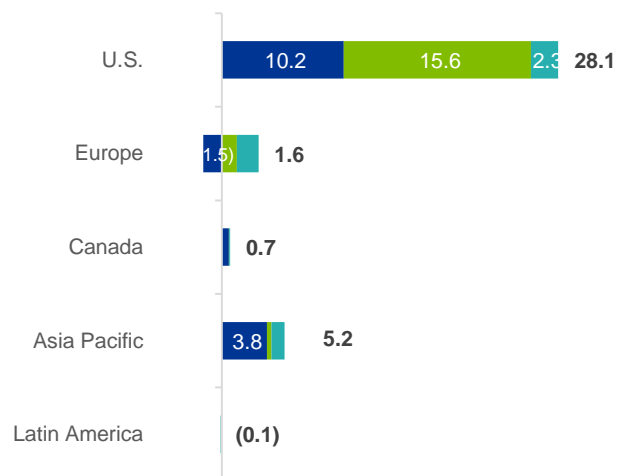
ETP Assets and Flows By Listing Region

ASSETS BY LISTING REGION¹

(US\$bn)	Equity	Fixed Income	Commodity & others	Total
U.S.	2,801	572	97	3,470
Europe	548	188	74	809
Canada	84	32	3	119
Asia Pacific	431	11	35	476
Latin America	8	0	0	8
Middle East & Africa	2	0	1	4
Total	3,873	803	210	4,887

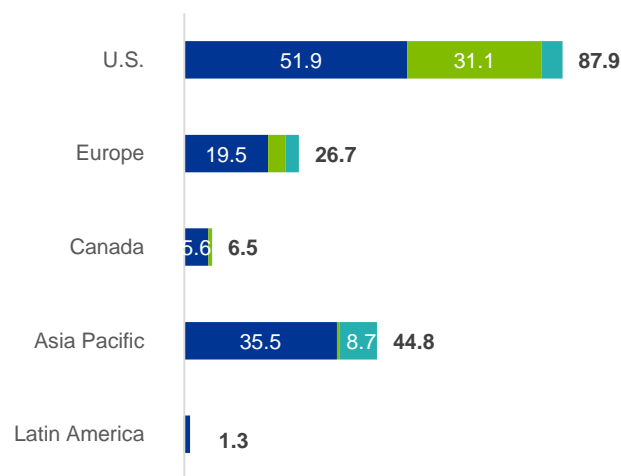
MONTH-TO-DATE FLOWS BY LISTING REGION¹

Month-to-date flows: \$35.4bn



YEAR-TO-DATE FLOWS BY LISTING REGION¹

Year-to-date flows: \$167.2bn



Equity

Fixed Income

Commodities & others

ETP Assets and Flows by Exposure¹

(US\$bn)		April Flows	2018 YTD Flows	Current Assets	
Equity	U.S.	6.9	15.1	2,117	
	Broad Developed Markets	3.9	35.8	576	
	Asia-Pacific	1.3	34.4	438	
	Europe	(5.7)	(1.5)	309	
	Canada	0.1	1.3	43	
	Developed Equity	6.5	85.0	3,482	
	Single Country	2.4	7.4	150	
	Broad	3.8	20.1	231	
	Regional	0.3	1.5	10	
	Emerging Markets Equity	6.5	29.0	391	
	Equity Total	13.0	114.0	3,873	
	Fixed Income	Investment Grade Corp	3.2	(1.0)	208
		High Yield Corp	1.2	(6.4)	62
Broad		3.0	11.0	139	
U.S. Treasury		6.6	16.0	88	
Sovereign		1.6	3.8	53	
Municipal		0.2	0.8	32	
Emerging Markets Debt		(0.7)	2.1	52	
Other Fixed Income		2.2	10.2	169	
Fixed Income Total	17.3	36.5	803		
Commodities	Gold	2.9	4.0	99	
	Crude oil	(0.3)	(2.0)	9	
	Silver	0.1	0.0	10	
	Agriculture	0.0	0.3	3	
	Other Precious Metals	(0.1)	(0.2)	3	
	Other Commodities	1.1	2.8	23.9	
	Commodities Total	3.7	5.1	148	
Other	Other Total	1.4	11.5	63	
Grand Total		35.4	167.0	4,887	

Endnotes

The ETP (or exchange traded product) category encompasses any portfolio exposure security that trades intra-day on an exchange. The data for this report are captured from a number of sources by BlackRock, including provider websites, fund prospectuses, provider press releases, provider surveys, Bloomberg, the National Stock Exchange, Strategic Insight Simfund, and Wind. All amounts are reported in US dollars. Flows are derived using daily net asset values and shares outstanding using the most recent data we can capture at month-end. For products with cross-listings, we attribute net flows and assets to the primary listings. Product level information is aggregated by provider, asset class, exposure, and listing region to produce the various analyses in the report.

1. Data is as of April 30, 2018 for all regions. Global ETP flows and assets are sourced using Markit, as well as BlackRock internal sources. Flows for the years between 2010 and 2015 are sourced from Bloomberg as well as BlackRock internal sources. Flows for years prior to 2010 are sourced from Strategic Insights Simfund. Asset classifications are assigned by BlackRock based on product definitions from provider websites and product prospectuses. Other static product information is obtained from provider websites, product prospectuses, provider press releases, and provider surveys. Market returns are sourced from Bloomberg.

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