



BlackRock Global ETP Landscape

Monthly Snapshot | May 2018



Summary

Global ETP flows in May were bolstered by U.S. Equities

- May industry flows of \$35.1bn were bolstered by flows into U.S. equities with \$26.1bn - nearly three-fourths of the total industry flows - amid the backdrop of strong corporate earnings and corporate tax cuts
- Global Fixed Income continued to see steady flows bringing in \$6.3bn across Investment Grade Corporate with \$2.4bn, U.S. Treasuries with 1.4bn and TIPS (Treasury Inflation-Protected Securities) with \$1.2bn
- Global Developed Markets Equities continued to see inflows for the fifth consecutive month with \$8.0 in May, bolstering the year to date flows to \$43.1bn

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 \$35.1bn during May, fueled by **U.S. Equity** funds with \$26.1bn and **Global Developed Markets Equities** with \$8.0bn, while **European Equities** shed (\$6.1bn).

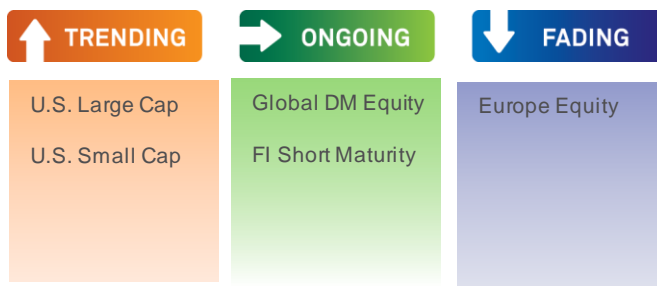
U.S. Equity ETPs saw strong inflows amid the backdrop of strong earnings and corporate tax cuts that were fueled by flows into **Large Cap** with \$15.1bn. Additionally, **Small Cap** funds gained \$6.4bn.

Global Developed Markets Equities continued to see inflows for the fifth consecutive month with \$8.0 in May bolstering the year to date flows to \$43.1bn. EAFE added \$1.4bn while Japan Equities shed (\$1.5bn).

Fixed income garnered steady flows with \$6.3bn in May led by **Investment Grade Corporate** with \$2.4bn focused in **short maturities** with \$1.5bn and blended maturities with \$1.2bn amid the backdrop of rising U.S. interest rates and a strong earnings season.

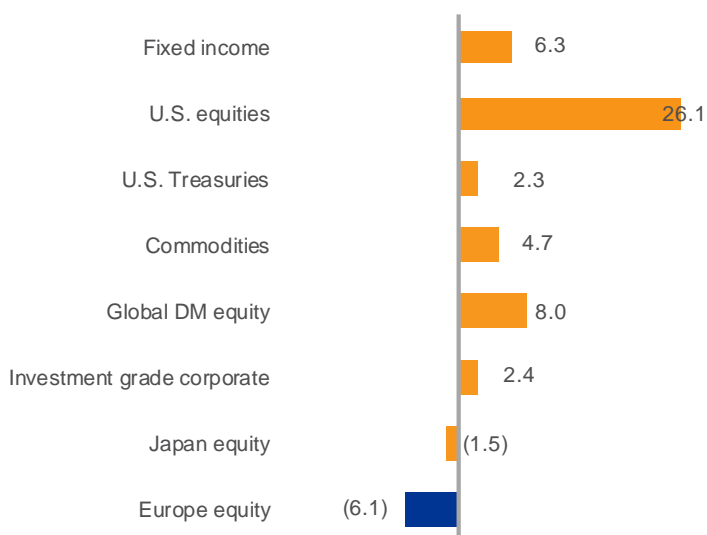
European Equities saw continued outflows of (\$6.1bn) concentrated in European Monetary Union and Eurozone funds with (\$5.7bn) and German Equities with (\$1.4bn). European Equity funds have lost (\$17.6bn) over the past three months, the first sequential outflows since late 2016.

Key investment themes / ETP flow trends



Global ETP Flows by Asset Class & Exposure¹

May 2018 flows: \$35.1bn

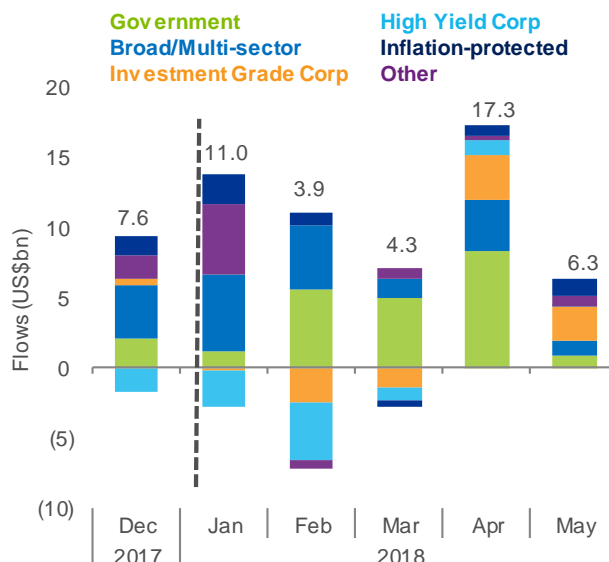


Spotlight on Global Reflationary Trends and Fixed Income ETPs¹

Amid rising rates, the array of options in fixed income ETPs has meant that flows remain resilient with May bringing in \$6.3bn. Global reflation has also meant growth for fixed income ETPs due to the following:

1. Investment Grade Corporate bond funds continued to see strong flows of \$2.4bn in May as economic growth has aided credit spreads
2. Short-maturity funds, which tend to have lower sensitivity to rising interest rates, gathered \$4.6bn led by U.S. Treasury funds with \$2.3bn
3. As inflation has risen, TIPS (Treasury Inflation-Protected Securities) funds continued to see inflows from last month with May bringing in \$1.2bn

Global Fixed Income ETP flows by Category



Year-to-date Overview

RESULTS AT A GLANCE¹

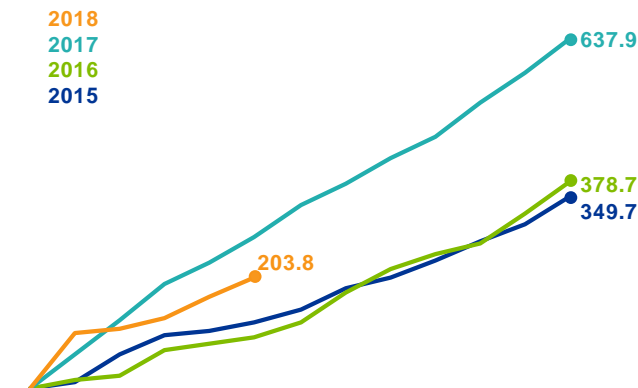
(US\$bn)	May 2018	May 2017	Dec 2017
Monthly flows	34.9	45.0	63.0
Year-to-date flows	203.8	273.6	637.9
Assets	4,986	4,044	4,756
# of ETPs	7,094	6,148	5,993

SMART BETA FLOWS BY TYPE¹

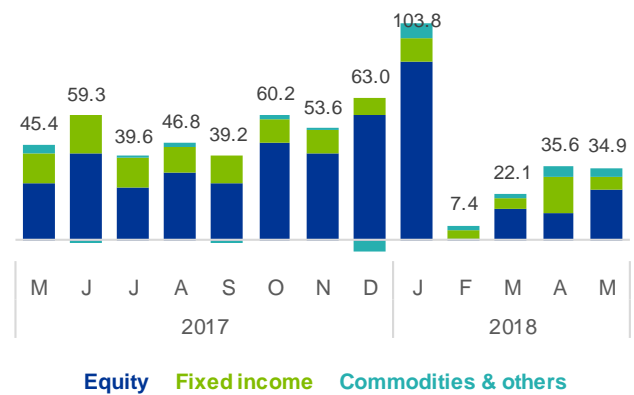
(US\$bn)	May 2018 Flows	2018 YTD Flows	Current Assets
Dividend	(1.9)	2.1	193
Multi-Factor	1.9	7.3	83
Low Volatility	0.6	0.4	57
Equal Weight	0.0	1.5	56
Single Factor	1.4	4.9	48
Fixed Income	(0.1)	0.4	10
Grand Total	1.9	16.7	447

CUMULATIVE ETP FLOWS¹

Year-to-date flows: \$203.8bn

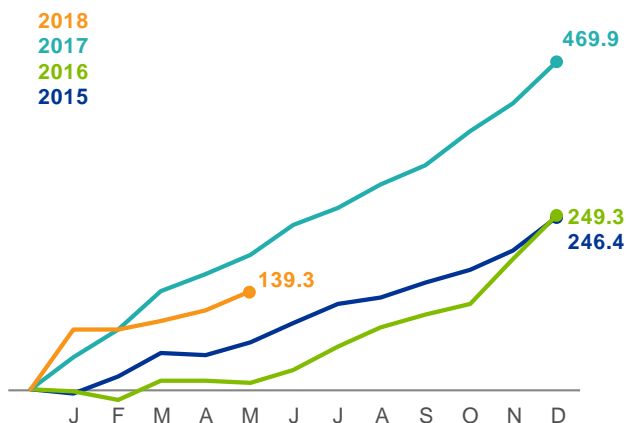


GLOBAL 13-MONTH ROLLING FLOWS¹



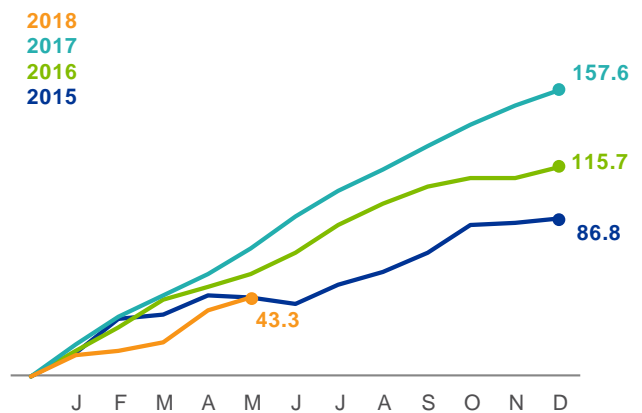
CUMULATIVE EQUITY ETP FLOWS¹

Year-to-date flows: \$139.3bn



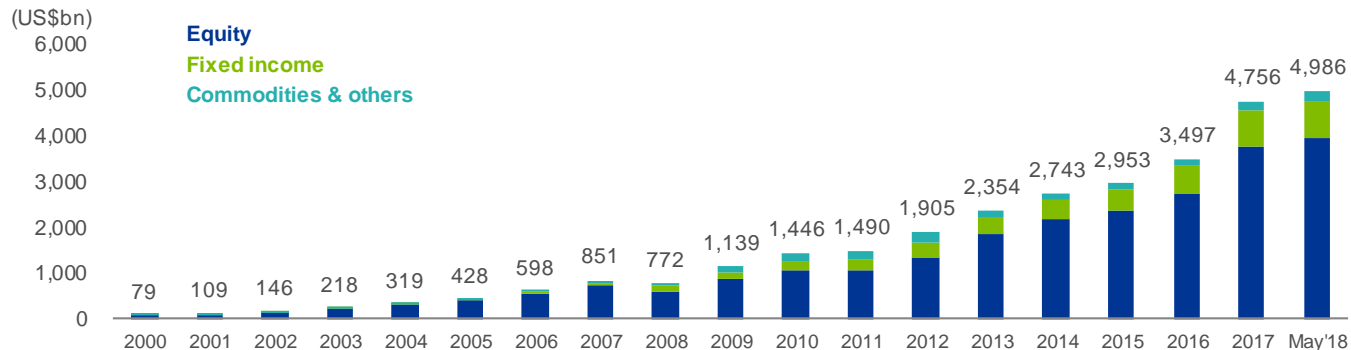
CUMULATIVE FIXED INCOME ETP FLOWS¹

Year-to-date flows: \$43.3bn



Year-to-date Overview (cont'd)

GLOBAL ETP ASSETS¹



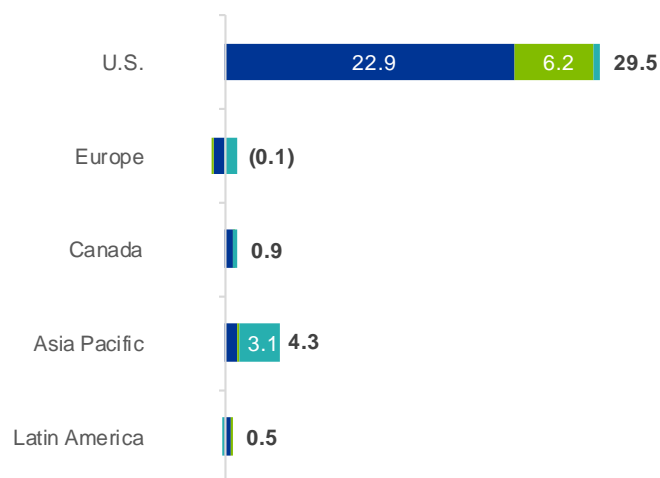
ETP Assets and Flows By Listing Region

ASSETS BY LISTING REGION¹

(US\$bn)	Equity	Fixed Income	Commodity & others	Total
U.S.	2,865	579	97	3,540
Europe	571	185	81	837
Canada	85	32	4	121
Asia Pacific	427	11	37	475
Latin America	7	0	0	8
Middle East & Africa	3	0	1	4
Total	3,957	808	221	4,986

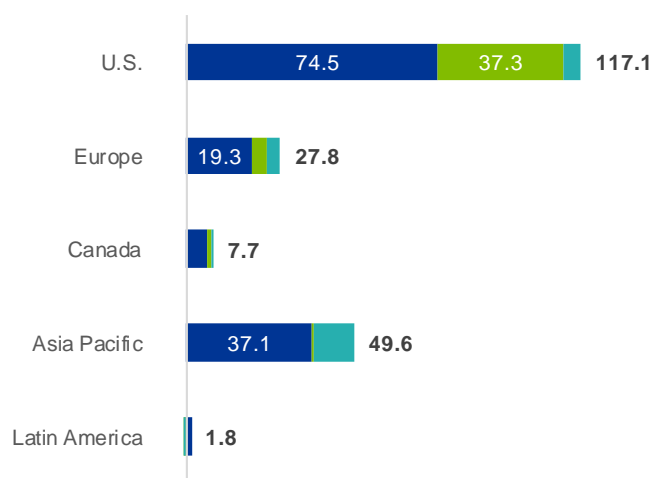
MONTH-TO-DATE FLOWS BY LISTING REGION¹

Month-to-date flows: \$35.1bn



YEAR-TO-DATE FLOWS BY LISTING REGION¹

Year-to-date flows: \$204.1bn



Equity Fixed Income Commodities & others

ETP Assets and Flows by Exposure¹

(US\$bn)		May Flows	2018 YTD Flows	Current Assets	
Equity	U.S.	26.1	41.7	2,211	
	Broad Developed Markets	8.2	43.9	581	
	Asia-Pacific	(1.7)	31.9	432	
	Europe	(6.1)	(7.7)	309	
	Canada	0.3	1.6	43	
	Developed Equity	26.8	111.4	3,576	
	Single Country	1.0	8.9	146	
	Broad	(3.2)	17.9	225	
	Regional	(0.5)	1.1	10	
	Emerging Markets Equity	(2.7)	27.9	381	
	Equity Total	24.1	139.3	3,957	
	Fixed Income	Investment Grade Corp	2.4	2.4	212
		High Yield Corp	0.1	(6.4)	62
Broad		0.1	11.8	141	
U.S. Treasury		1.5	17.4	90	
Sovereign		(0.6)	3.2	51	
Municipal		0.5	1.4	33	
Emerging Markets Debt		0.0	2.0	51	
Other Fixed Income		2.2	11.4	169	
Fixed Income Total		6.3	43.3	808	
Commodities	Gold	0.7	4.8	101	
	Crude oil	(0.1)	(2.1)	9	
	Silver	0.1	0.2	10	
	Agriculture	(0.0)	0.3	3	
	Other Precious Metals	1.0	3.9	29	
	Other Commodities	(0.2)	(0.3)	3	
	Commodities Total	1.5	6.6	155	
Other	Other Total	1.0	3.0	29	
Grand Total		34.9	203.8	4,986	

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 May 31, 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. Month to date and Year to date flows by Listing Region exclude Middle East and Africa. 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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