

FLOW & TELL



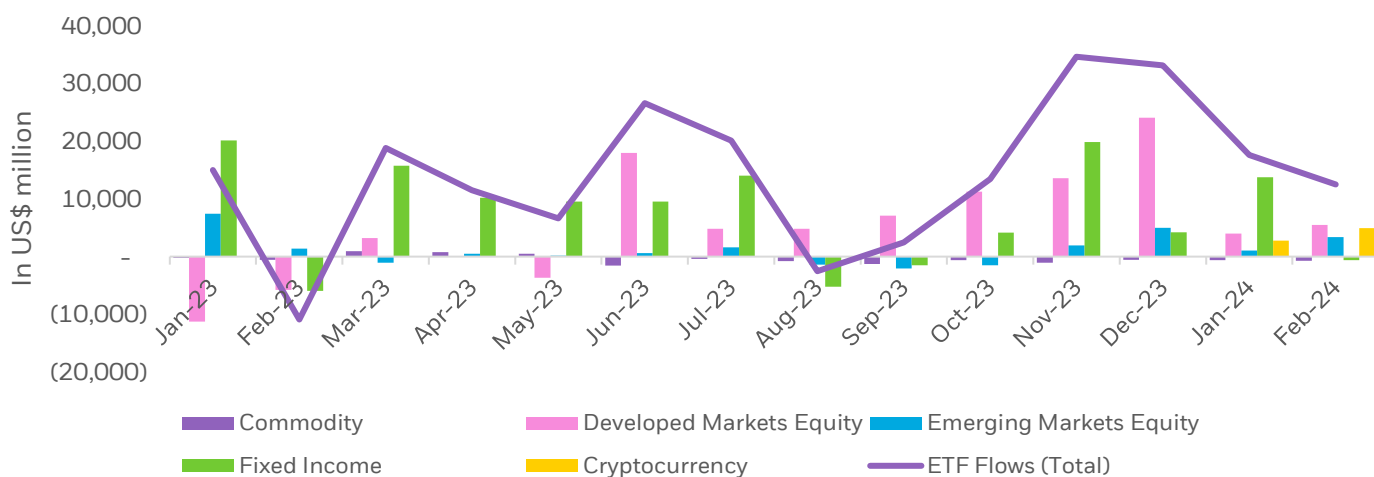
A monthly review of iShares ETF flows, performance, market quality and product ideas.

APAC Investment Strategy and Product Solutions

March 2024

Equity	A surge in demand for Emerging Market equities (+US\$3.4 billion) treble the January levels helped broader equities growth. Flows were propelled by a revival in appetite for Chinese equities and continued demand for India. Developed Market equities had a late surge to show a 37% on continued demand for US exposures especially tech, industrials and quality.
Fixed Income	Fixed income (-US\$ 613 million) turned to outflows for the first time in six months amid expectations for a US rate cut in the second quarter. Investors offloaded credit, particularly high yield, and Emerging Markets ex India paper while they bid for multi-sector, US Treasury (+US\$2.5 billion) and target maturity bonds.
Crypto	Crypto (+US\$5 billion) continued to be bid up with volumes exceeding the January levels. The Bitcoin exposure launched in January has registered 32 consecutive days of inflows. The surge in demand comes amid a broader rally in cryptocurrency prices. BTC hit a two-year high last month.

Flows by asset class



Source: BlackRock, as of Feb. 29, 2024. Data inclusive of US-listed, UCITS and APAC-domiciled iShares ETPs only.

Monthly Review and Outlook :

Global stocks logged the fourth month of gains powered by artificial-intelligence mania while broad bond returns retreated for the second month. Besides AI, an erosion in expectations for how much the US Federal Reserve will lower interest rates this year and coordinated support measures in China influenced investors. The change in sentiment showed in flows with US equities inflows slowing while bonds saw outflows for the first time in five months. China exposures staged a comeback after two months of outflows and Bitcoin continued to be bid. The result: iShares inflows almost dropped by a third to **US\$12.5 billion**.

Looking ahead, We think market optimism can persist for now, but we recommend investors stay nimble. The pace of global policy easing, election outcomes across the world, and the trajectory of economic growth in different regions will be the key drivers of market returns. We see greater dispersion of returns unfolding across markets, creating opportunities for investors. We continue to back selective US exposures and China offshore equities, income strategies short and mid duration bonds, India bonds, Japanese equities on a short and strategic horizon and India stocks over the long-term.

All data source is BlackRock as of Feb. 29, 2024, unless otherwise specified. The opinions expressed are as of date and are subject to change at any time due to changes in market or economic conditions.

January Top/Bottom iShares ETF Flows

Equities

	Exposure	Jan. Flow (US\$M)	% of AUM
1	S&P 500	12,010	3%
2	S&P 500 Value	3,519	11%
3	S&P 500 UCITS	2,929	4%
4	US Factor Rotation	2,854	100%
5	MSCI World	1,295	2%

	Exposure	Jan. Flow (US\$M)	% of AUM
1	Russell 2000	(4,877)	-8%
2	Russell 1000 Value	(3,260)	-6%
3	S&P 100	(1,970)	-18%
4	MSCI USA ESG Select	(1,862)	-53%
5	MSCI USA Quality	(1,859)	-5%

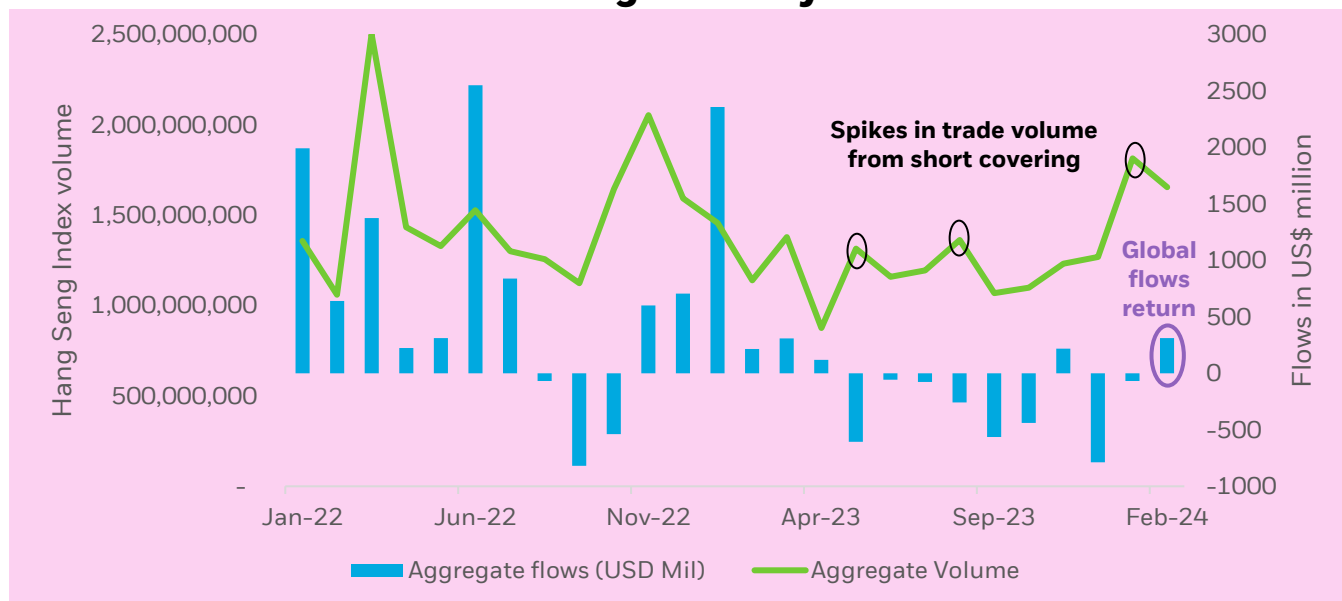
Fixed Income

	Exposure	Jan. Flow (US\$M)	% of AUM
1	iBoxx \$ IG	3,196	9%
2	Total USD Bond	2,820	12%
3	EUR Corp Bond	1,218	8%
4	7-10 Year Treasury	961	3%
5	Flexible Income	867	64%

	Exposure	Jan. Flow (US\$M)	% of AUM
1	Treasury Floating	(1,003)	-11%
2	J.P. Morgan USD EM	(999)	-7%
3	Short Treasury	(691)	-4%
4	National Muni	(535)	-1%
5	USD Treasury 20+Yr	(276)	-11%

Please note that this list is non-exhaustive. % of AUM refers to annual flows as a % of AUM as of the specified date of the month. The figures shown relate to past performance. Past performance is not a reliable indicator of current or future results.; Source: BlackRock, Feb. 29, 2024

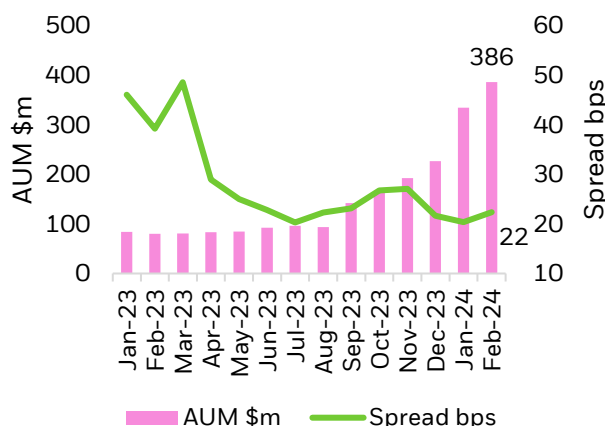
Chart of the Month : Has the Dragon Finally left its Lair?



Source: BlackRock, Bloomberg as of Feb 22, 2024. Data inclusive of US-listed, UCITS and APAC-domiciled iShares ETPs only. The figures shown relate to past performance. Past performance is not a reliable indicator of current or future results. Index returns are for illustrative purposes only.

Focus on iShares APAC ETF secondary market activity

- Inflows into an ETF tracking India's S&P BSE SENSEX Index have picked up since September. Six months cumulative flow stands at \$271million, and the AUM as at end of February is now the highest since inception at \$385million.
- On secondary markets, spread in February was 22bps, 54% lower than 2022 average as market makers constantly improved liquidity in the orderbook.



Source: Bloomberg, as of Feb. 29, 2024

Trendly Idea:

S&P BSE Sensex Index

This month, we focus on the S&P BSE SENSEX. It offers exposure to the 30 largest companies, including financials and energy, in India - the world's fastest growing major economy¹. These sectors are key for the economic transformation of the fifth-largest economy in the world.

1. Favourable Megatrends

The Indian economy has a lot going for it. Megatrends including favorable demographics, a fragmenting world and growing affluence are turbocharging the economy. The growth stands out in a tepid global growth backdrop.

2. Favourable Demographics

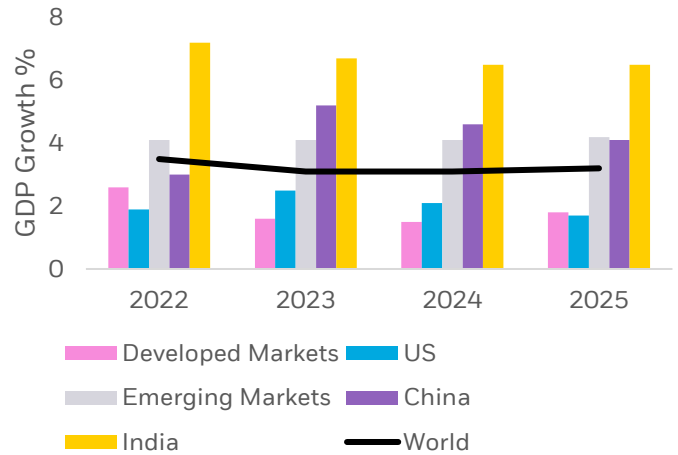
India overtook China as the most populous nation in 2023[#]. The nation boasts a young and growing working age population. About 65% of India's population is below the age of thirty-five, and half is below the age of twenty-five, according to data from the United Nations as of April 2023.

3. Supportive Flows

Global ETP flows into Indian equity exposures soared to a record US\$6.8 billion* in 2023 compared with outflows in the previous year and foreign institutional investors ploughed in over \$21 billion¹⁰ into Indian stocks. The trend has continued in 2024 with another US\$ 400 million added in January.

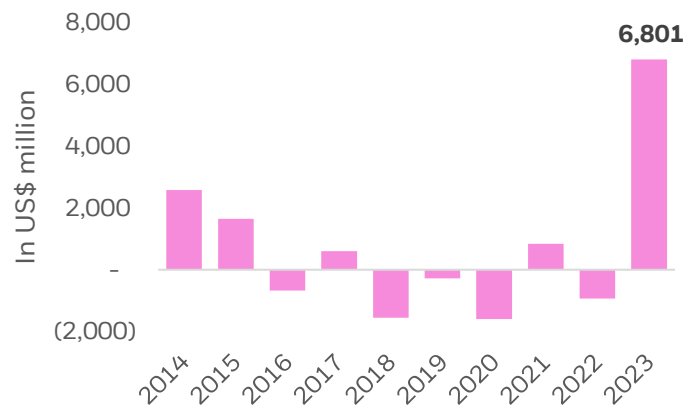
Source: 1. IMF World Economic Outlook, Jan. 30, 2024. # United Nations Data as of April 2023. * BlackRock as of Dec. 31, 2023. The figures shown relate to past performance. Past performance is not a reliable indicator of current or future results. Index returns are for illustrative purposes only. Index performance returns do not reflect any management fees, transaction costs or expenses. Indexes are unmanaged and one cannot invest directly in an index.

India: The Growth Engine



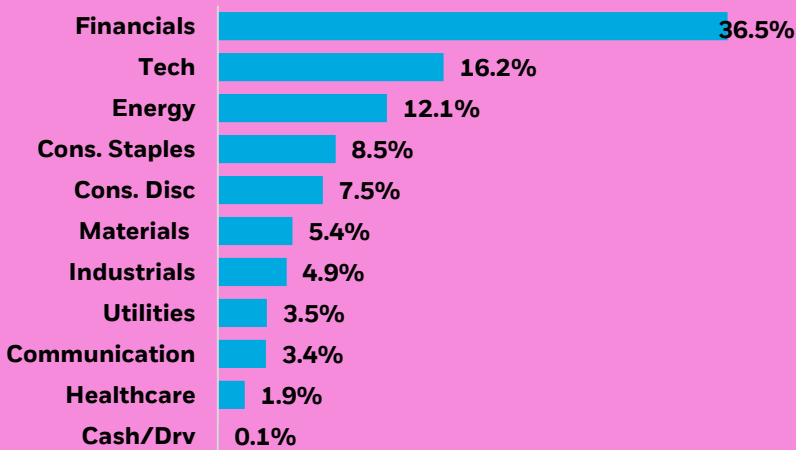
Source: IMF, World Economic Outlook as of Jan. 30, 2024

Global ETP Flows into India



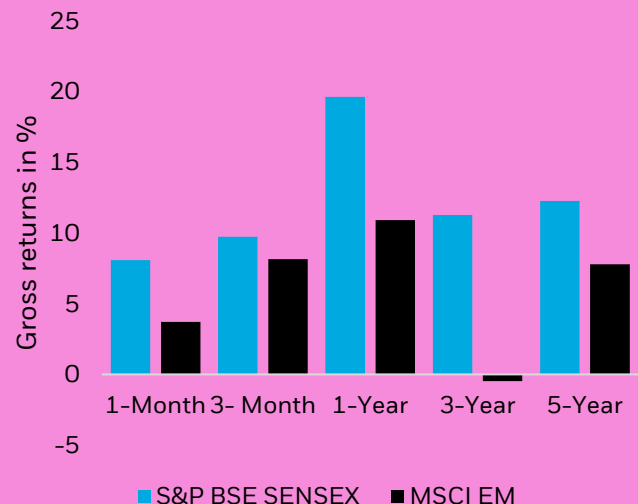
Source: BlackRock as of Dec. 31, 2023

S&P BSE SENSEX- Sector Breakdown



Source: BSE Sensex, MSCI as of Jan. 31, 2024.

Index Returns in %



To find out more about ETFs that track the index, contact your iShares representative.

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