



BlackRock Global ETP Landscape

Monthly Snapshot | October 2018



Summary

October Global ETP flows fueled by Japan equities

- Global ETPs gathered \$31.0bn in October bolstered by Japan Equities with \$12.8bn, Emerging Markets Equities with \$10.7bn and U.S. Equities with \$4.3bn, offset by Europe Equities with (\$1.1bn). Year-to-date flows climbed to \$390.5bn
- Japan Equities gathered \$12.8bn amid solid corporate earnings, continuing purchases by the Bank of Japan, and local political stability
- Emerging Markets Equities collected \$10.7bn led by Chinese Equities with \$7.4bn against the backdrop of attractive valuations, economic reforms and continued earnings growth
- U.S. Equity inflows slowed to \$4.3bn amid rising interest rates and equity market valuation declines, but year-to-date flows remain strong at \$124.5bn bolstered by solid corporate earnings and strong economic growth. Flows in October were driven by Large Cap with \$9.8bn offset by Financials and Real Estate sector funds with (\$2.5bn) and (\$2.4bn) respectively
- Fixed Income flows were mixed amid challenging U.S. Equity markets and rising interest rates. U.S. Treasury fund flows remained strong, collecting \$5.2bn offset by outflows of (\$2.4bn) from High Yield and (\$2.7bn) from U.S. multi-sector bond funds

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 collected \$31.0bn in October bolstered by **Japan Equities** with \$12.8bn, **Emerging Markets Equities** with \$10.7bn and **U.S. Equities** with \$4.3bn and **Europe Equity** with (\$1.1bn). Year-to-date flows climbed to \$390.5bn.

Japan Equities gathered \$12.8bn focused in Japan domiciled funds, the biggest month of inflows since March of this year. Solid corporate earnings along with purchases by the Bank of Japan and political stability have contributed to demand for Japanese equities.

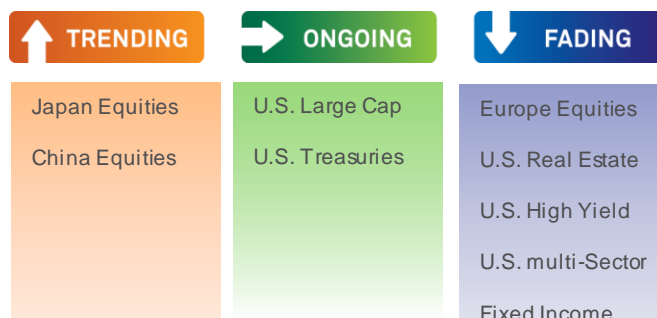
Emerging Markets Equities collected \$10.7bn led by Chinese Equities with \$7.4bn against the backdrop of attractive valuations, economic reforms and continued earnings growth.

U.S. Equity inflows slowed to \$4.3bn amid rising interest rates and equity market valuation declines, but year-to-date flows remain strong at \$124.5bn bolstered by solid corporate earnings and strong economic growth. Flows in October were driven by **Large Cap** with \$9.8bn offset by **Financials** and **Real Estate** sector funds with (\$2.5bn) and (\$2.4bn) respectively.

Fixed Income flows were mixed amid challenging U.S. Equity markets and rising interest rates. **U.S. Treasury** fund flows remained strong, collecting \$5.2bn offset by outflows of (\$2.4bn) from **High Yield** and (\$2.7bn) from **U.S. multi-sector** bond funds

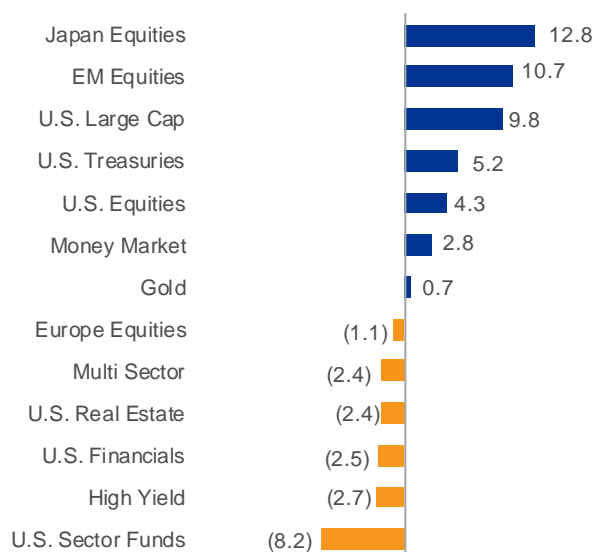
Europe Equities shed (\$1.1bn) against the backdrop of relatively muted earnings growth, weak economic momentum and political risks. The outflows were driven by Broad EMU and Eurozone funds.

Key investment themes / ETP flow trends



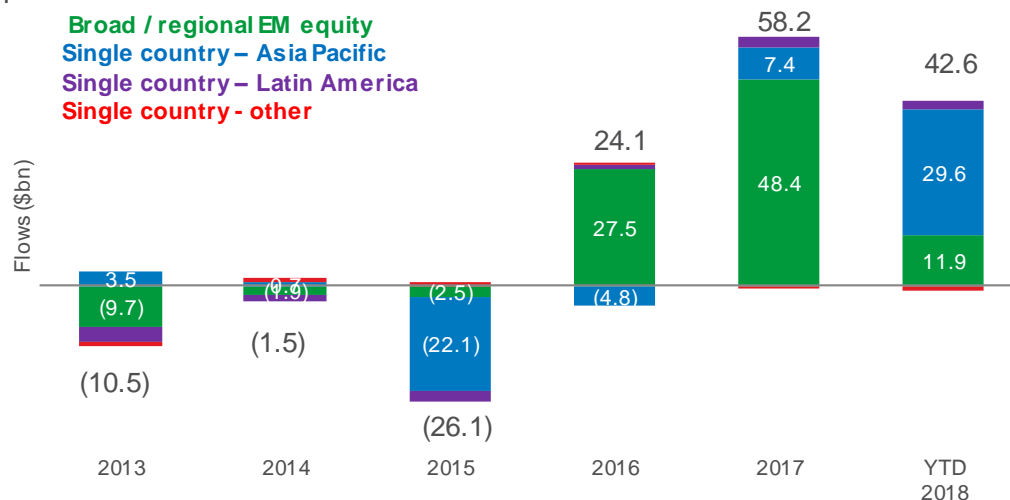
Global ETP Flows by Asset Class & Exposure

October 2018 flows: \$31.0bn



Spotlight on Emerging Markets Equities¹

2018 flows have shifted toward single country exposures in China with \$22.5bn and South Korea with \$6.9bn



Year-to-date Overview

RESULTS AT A GLANCE¹

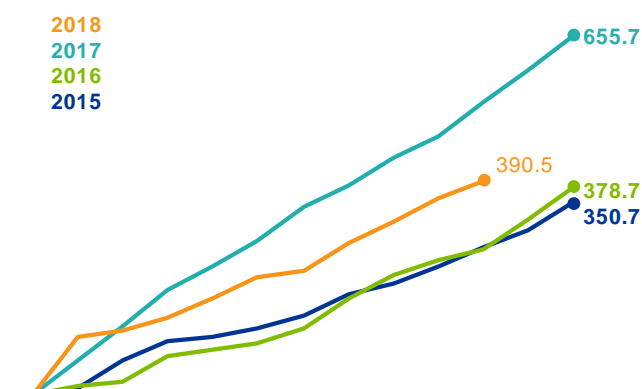
(US\$bn)	Oct 2018	Oct 2017	Dec 2017
Monthly flows	30.7	62.1	64.1
Year-to-date flows	385.3	535.4	655.7
Assets	4,944	4,613	4,822
# of ETPs	8,072	6,069	5,993

SMART BETA FLOWS BY TYPE¹

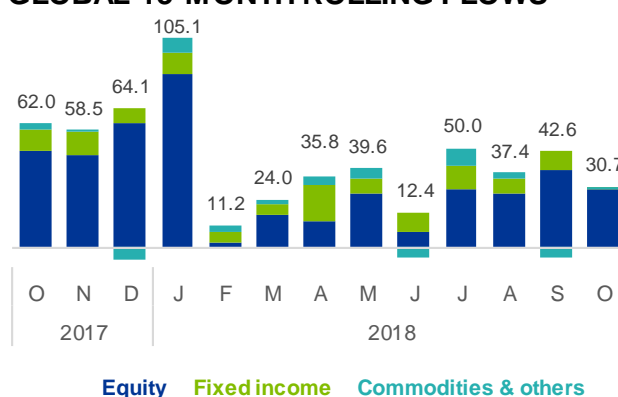
(US\$bn)	Oct 2018 Flows	2018 YTD Flows	Current Assets
Dividend	2.1	6.0	192
Multi-Factor	0.2	12.7	83
Low Volatility	1.5	4.9	60
Equal Weight	(0.8)	2.6	52
Single Factor	0.2	8.1	49
Fixed Income	(0.4)	(0.4)	9
Grand Total	2.7	33.8	445

CUMULATIVE ETP FLOWS¹

Year-to-date flows: \$390.5bn

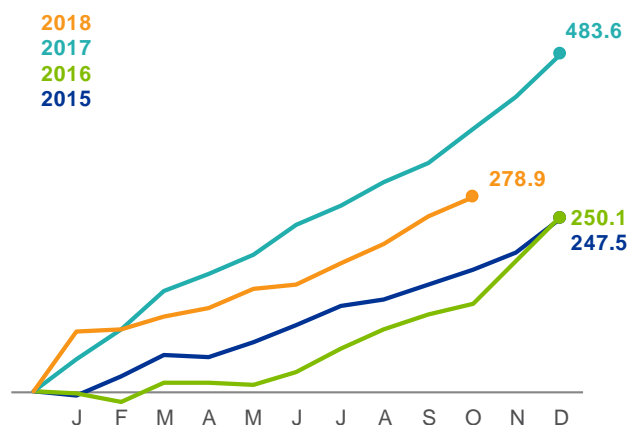


GLOBAL 13-MONTH ROLLING FLOWS¹



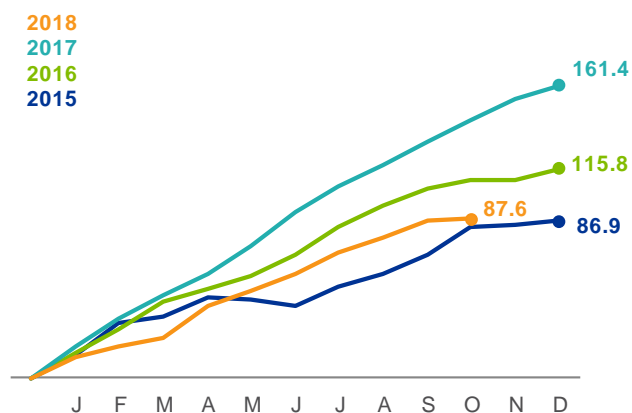
CUMULATIVE EQUITY ETP FLOWS¹

Year-to-date flows: \$278.9bn



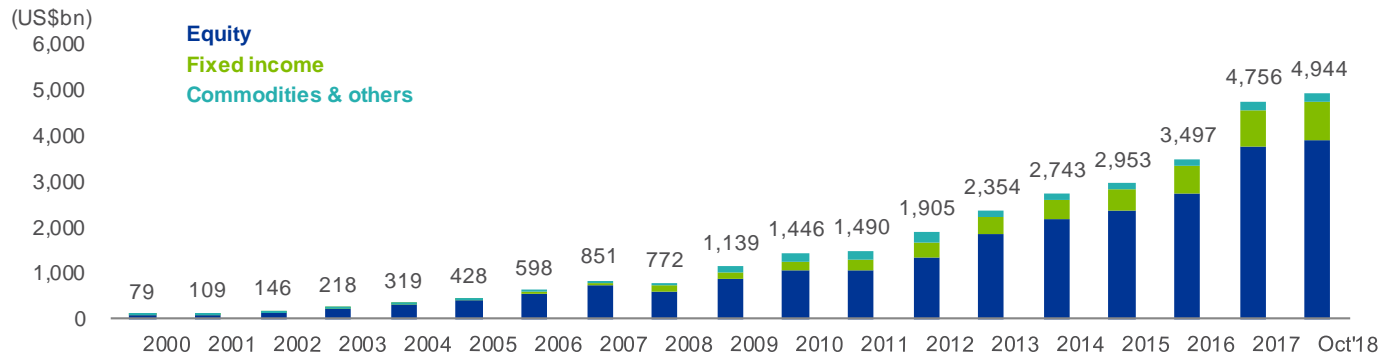
CUMULATIVE FIXED INCOME ETP FLOWS¹

Year-to-date flows: \$87.6bn



Year-to-date Overview (cont'd)

GLOBAL ETP ASSETS¹



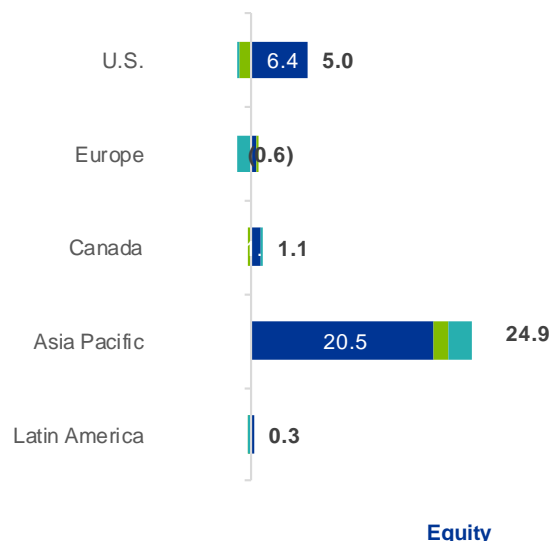
ETP Assets and Flows By Listing Region

ASSETS BY LISTING REGION¹

(US\$bn)	Equity	Fixed Income	Commodity & others	Total
U.S.	2,799	607	86	3,492
Europe	547	187	71	806
Canada	83	33	4	120
Asia Pacific	449	20	50	519
Latin America	8	0	0	8
Total	3,885	848	212	4,944

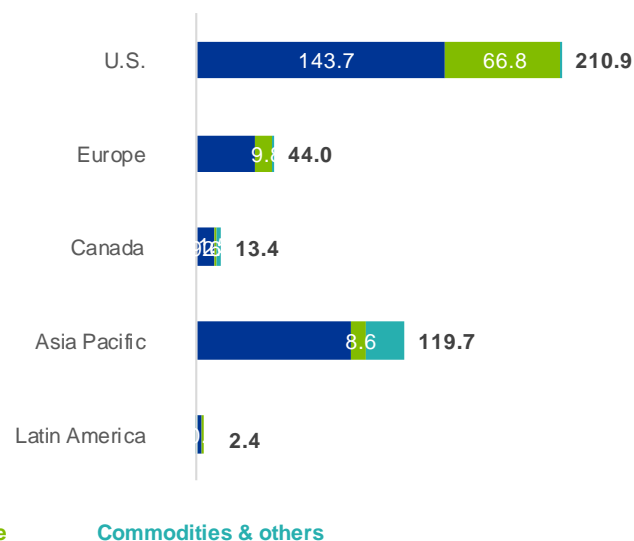
MONTH-TO-DATE FLOWS BY LISTING REGION¹

Month-to-date flows: \$30.7bn



YEAR-TO-DATE FLOWS BY LISTING REGION¹

Year-to-date flows: \$390.5bn



ETP Assets and Flows by Exposure¹

(US\$bn)		October Flows	2018 YTD Flows	Current Assets
Equity	U.S.	4.5	124.7	2,252
	Broad Developed Markets	0.8	64.2	546
	Asia-Pacific	13.7	57.2	420
	Europe	(1.2)	(14.4)	275
	Canada	0.7	4.0	43
	Developed Equity	18.5	235.7	3,535
	Single Country	10.5	31.3	152
	Broad	0.2	11.1	189
	Regional	0.1	0.8	8
	Emerging Markets Equity	10.7	43.2	350
	Equity Total	29.2	278.9	3,885
Fixed Income	Investment Grade Corp	(0.3)	16.6	223
	High Yield Corp	(2.4)	(7.6)	59
	Broad	(2.5)	13.3	140
	U.S. Treasury	5.2	34.1	106
	Sovereign	0.5	3.0	49
	Municipal	(0.3)	2.9	38
	Emerging Markets Debt	1.2	8.1	62
	Other Fixed Income	(1.1)	17.2	170
	Fixed Income Total	0.3	87.6	848
Commodities	Gold	0.7	0.9	89
	Crude oil	(0.0)	(3.7)	7
	Silver	(0.2)	0.2	9
	Agriculture	(0.3)	(0.0)	3
	Other Precious Metals	(1.5)	(0.0)	24
	Other Commodities	(0.0)	(0.3)	4
	Commodities Total	(1.4)	(3.1)	136
Other	Other Total	2.6	27.0	76
Grand Total		30.7	390.5	4,944

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 October 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.

Index performance is for illustrative purposes only and does not represent actual Fund performance. Index performance does not reflect any management fees, transaction costs or expenses. Indexes are unmanaged and one cannot invest directly in an index. Past performance does not guarantee future results.

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¹ Based on \$6.44 trillion in AUM as of 9/30/18

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