



BlackRock Global ETP Landscape

Monthly Snapshot | December 2018



Summary

Global ETPs collect more than \$500 billion in 2018 amid volatile global equity markets

- Global ETPs collected \$67.2bn in December – the second best month of the year - boosting full year flows to \$514.8bn making it the second best year on record behind 2017, amid more volatile stock market conditions in 2018.
- December flows were driven by Fixed Income with \$23.5bn, U.S. Equity with \$14.5bn, Global Developed Market (DM) Equity with \$13.8bn, Emerging Markets Equity with \$13.0bn.
- Full year flows of \$514.8bn are lower than last year’s \$659.3bn, but some exposures captured record flows this year including Treasury/Sovereign Bond funds with \$64.2bn amid tighter financial conditions in 2018 including higher interest rates, a stronger dollar and more volatile stock markets.
- Additionally within Fixed Income, rising interest rates spurred Short Maturity funds flows to a new record of \$70.0bn – more than half of all Fixed Income flows.
- Other new annual flow records include Emerging Markets Equity funds with \$66.4bn, Japanese Equities with \$67.1bn, and Smart Beta Multi-Factor Equity funds with \$14.0bn.

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

Global ETP Highlights	3
Full Year Overview	4
Reference schedules	
ETP Assets and Flows by Listing Region	5
ETP Assets and Flows by Exposure	6

Global ETP Highlights

Global ETPs collected \$67.2bn in December – the second best month of the year - boosting full year flows to \$514.8bn making it the second best year on record behind 2017, amid more volatile stock market conditions in 2018 (see “Spotlight on Annual ETP Flows” below).

December flows were driven by **Fixed Income** with \$23.5bn, **U.S. Equity** with \$14.5bn, **Global DM Equity** with \$13.8bn, **Emerging Markets Equity** with \$13.0bn.

Full year flows are lower than last year but some exposures captured record flows this year including **Treasury/Sovereign Bond** funds with \$64.2bn vs. the previous record high in 2014 with \$19.5bn - amid tighter financial conditions in 2018 including higher interest rates, a stronger dollar and more volatile stock markets. On the flip side, **High Yield Bond** funds shed (\$10.5bn), the highest annual outflow on record.

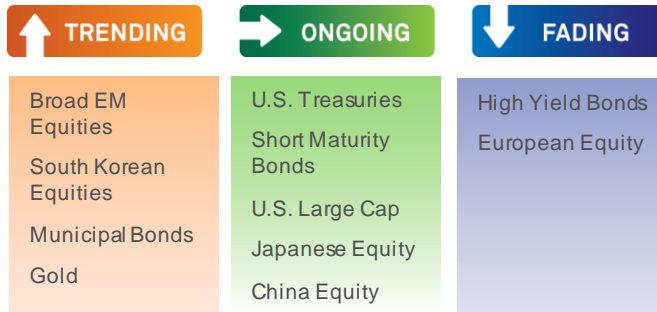
Additionally within **Fixed Income**, rising interest rates spurred **Short Maturity** funds flows to a new record of \$70.0bn – more than half of all Fixed Income flows. Top categories included **Treasury/Sovereign Short Maturity** funds with \$41bn, **Govt/Corporate Short Maturity** with \$14.1bn, and **Investment Grade Corporate Short Maturity** with \$12.6bn.

Emerging Markets Equity funds gathered a record \$66.4bn driven by record **China Equity** flows of \$28.5bn and **South Korea Equity** flows of \$10.5bn, both largely from locally-listed funds.

Japanese Equity funds took in a record \$67.1bn this year compared to last year’s high of \$55.0bn.

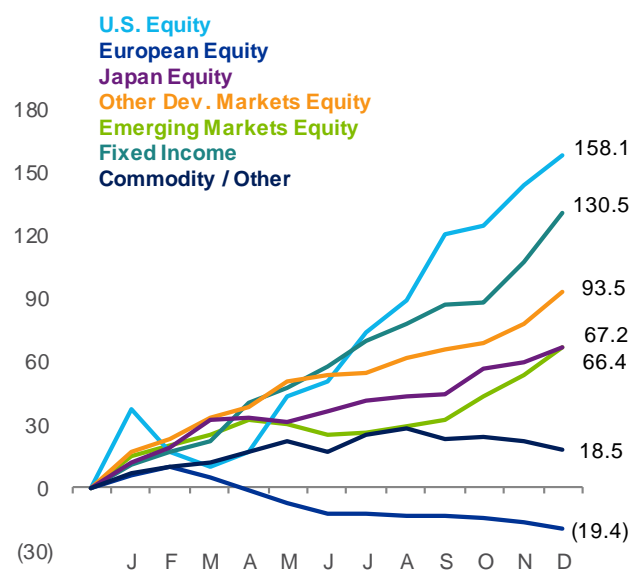
Within **Smart Beta**, **Multi-Factor Equity** funds took in a record \$14.0bn and other categories were near record levels including **Single Factor Equity** funds with \$8.8bn compared to \$9.4bn last year, and **Low Volatility Equity** funds with \$11.5bn compared to \$12.4bn in 2016.

Key investment themes / ETP flow trends



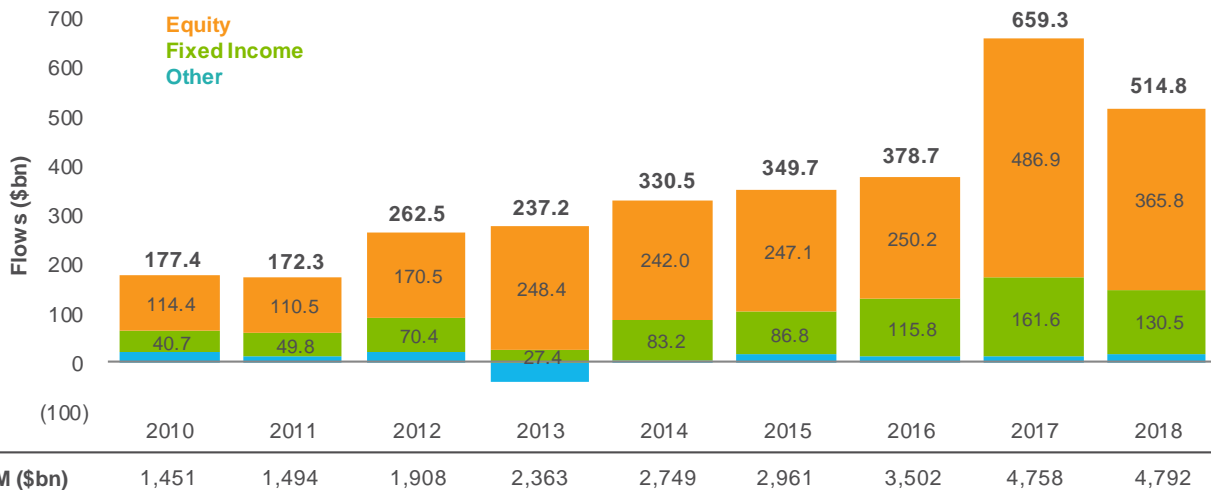
Global ETP Flows by Asset Class & Exposure¹

2018 flows: \$514.8bn



Spotlight on Annual ETP Flows¹

2018 Flows did not eclipse 2017, but new flow records were set in some equity and fixed income categories including Treasury/Sovereign Bonds, Emerging Markets Equities and Japanese Equities



Full Year Overview

RESULTS AT A GLANCE¹

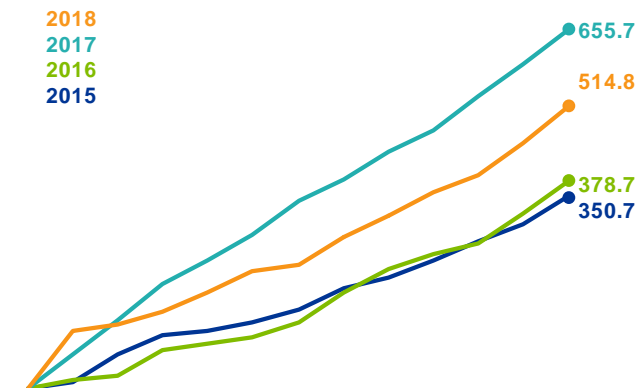
(US\$bn)	Dec 2018	Dec 2017	Dec 2016
Monthly flows	47.4	64.4	57.4
Full Year flows	514.8	659.3	378.7
Assets	4,792	4,758	3,502
# of ETPs	8,204	6,354	6,053

SMART BETA FLOWS BY TYPE¹

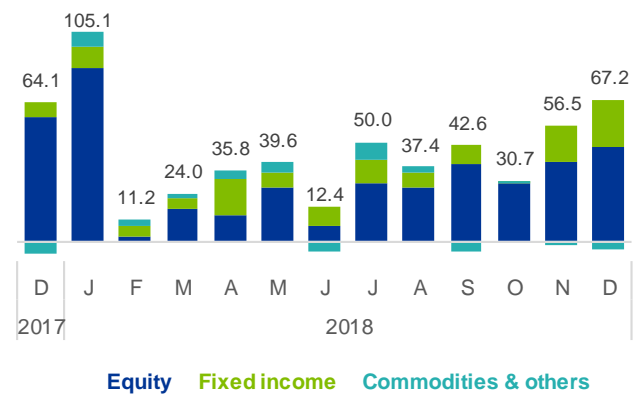
(US\$bn)	Dec 2018 Flows	2018 Flows	Current Assets
Dividend	6.3	16.2	191
Multi-Factor	0.4	16.4	81
Low Volatility	4.1	12.2	65
Equal Weight	(1.5)	(0.9)	43
Single Factor	(0.5)	8.8	46
Fixed Income	(0.4)	(1.0)	9
Grand Total	8.4	51.7	435

CUMULATIVE ETP FLOWS¹

Full Year flow s: \$514.8bn

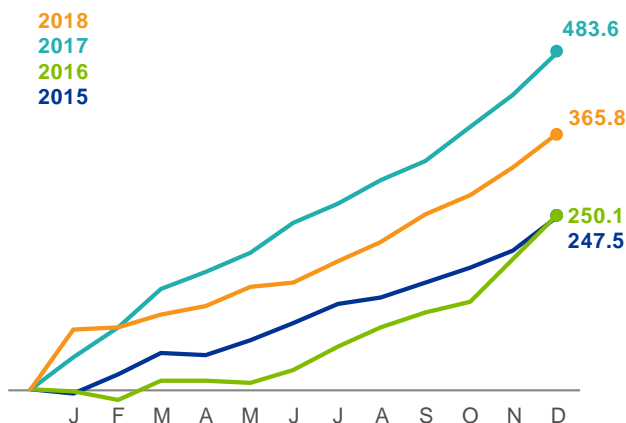


GLOBAL 13-MONTH ROLLING FLOWS¹



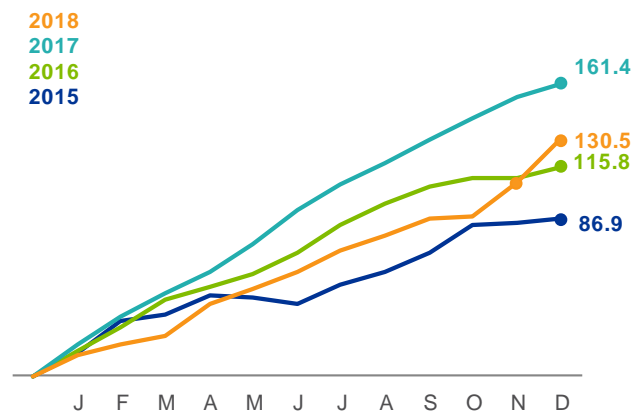
CUMULATIVE EQUITY ETP FLOWS¹

Full Year flow s: \$365.8bn



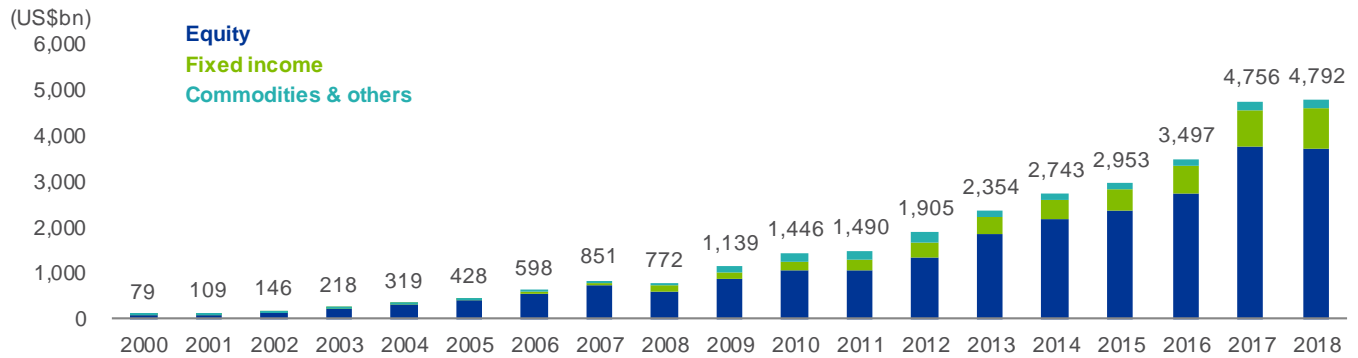
CUMULATIVE FIXED INCOME ETP FLOWS¹

Full Year flow s: \$130.5n



Full Year Overview (cont'd)

GLOBAL ETP ASSETS¹



ETP Assets and Flows By Listing Region

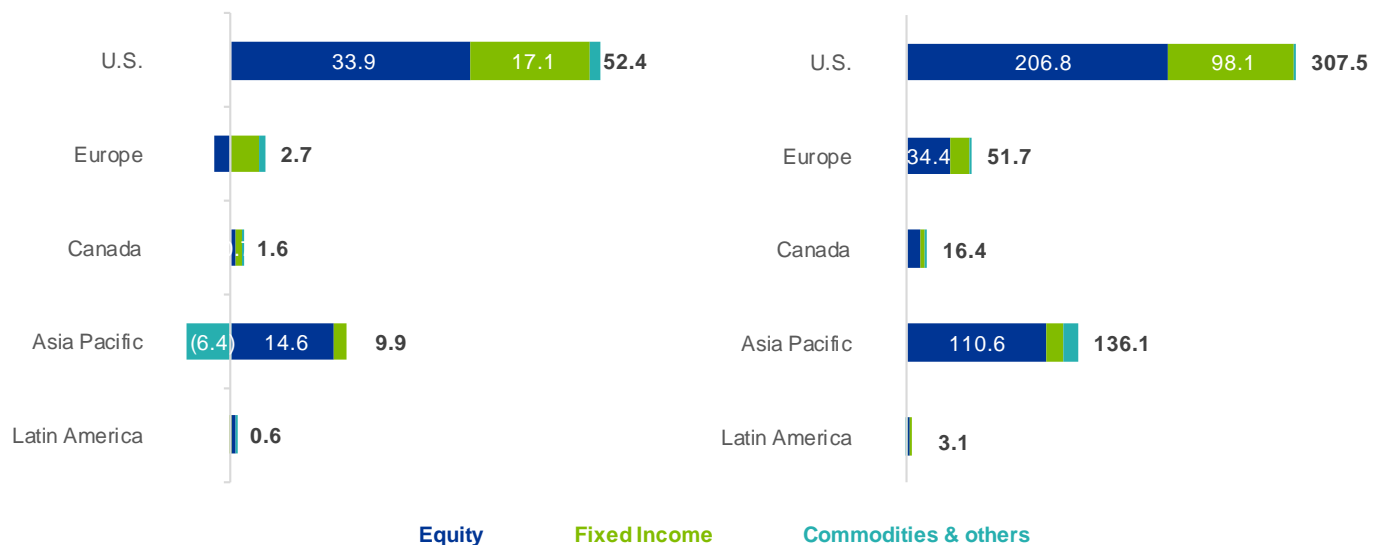
ASSETS BY LISTING REGION¹

(US\$bn)	Equity	Fixed Income	Commodity & others	Total
U.S.	2,660	632	85	3,377
Europe	515	192	73	780
Canada	77	33	5	115
Asia Pacific	447	25	40	512
Latin America	8	0	0	8
Total	3,707	882	202	4,792

CURRENT MONTH FLOWS BY LISTING REGION¹ FULL YEAR FLOWS BY LISTING REGION¹

Current Month flows: \$67.2bn

Full Year flow s: \$514.8bn



ETP Assets and Flows by Exposure¹

(US\$bn)		December Flows	2018 Full Year Flows	Current Assets	
Equity	U.S.	14.6	158.1	2,100	
	Broad Developed Markets	13.8	85.7	536	
	Asia-Pacific	8.5	69.5	408	
	Europe	(2.6)	(19.4)	252	
	Canada	0.2	5.5	41	
	Developed Equity	34.4	299.5	3,337	
	Single Country	7.5	43.8	162	
	Broad	5.3	21.6	200	
	Regional	0.2	1.0	9	
	Emerging Markets Equity	13.0	66.4	370	
	Equity Total	47.4	365.8	3,707	
	Fixed Income	Investment Grade Corp	0.1	19.7	226
		High Yield Corp	(1.8)	(10.5)	54
Broad		4.5	20.4	148	
U.S. Treasury		13.6	56.9	130	
Sovereign		2.7	7.3	54	
Municipal		2.1	6.3	38	
Emerging Markets Debt		0.1	9.7	58	
Other Fixed Income		2.2	20.8	174	
Fixed Income Total	23.6	130.5	882		
Commodities	Gold	3.2	5.1	97	
	Crude oil	0.7	(1.7)	7	
	Silver	(0.2)	(0.0)	9	
	Agriculture	(0.1)	(0.2)	3	
	Other Precious Metals	(0.0)	(0.4)	3	
	Other Commodities	(1.2)	(2.1)	19	
	Commodities Total	2.3	0.7	137	
Other	Other Total	(6.1)	17.7	656	
Grand Total		67.2	514.8	4,792	

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 December 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.

About BlackRock

BlackRock helps investors build better financial futures. As a fiduciary to our clients, we provide the investment and technology solutions they need when planning for their most important goals. As of September 30, 2018, the firm managed approximately \$6.44 trillion in assets on behalf of investors worldwide. For additional information on BlackRock, please visit www.blackrock.com | Twitter: [@blackrock](https://twitter.com/blackrock) | Blog: www.blackrockblog.com | LinkedIn: www.linkedin.com/company/blackrock.

About iShares

iShares unlocks opportunity across markets to meet the evolving needs of investors. With more than twenty years of experience, a global line-up of 800+ exchange traded funds (ETFs) and \$1.8 trillion in assets under management as of September 30, 2018. iShares continues to drive progress for the financial industry. iShares funds are powered by the expert portfolio and risk management of BlackRock, trusted to manage more money than any other investment firm¹.

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

Important Information

FOR PROFESSIONAL CLIENTS/QUALIFIED INVESTORS/QUALIFIED CLIENTS ONLY (NOT FOR PUBLIC DISTRIBUTION) IN EMEA:

Risk Warnings

Investment in the products mentioned in this document may not be suitable for all investors. Past performance is not a reliable indicator of current or future results and should not be the sole factor of consideration when selecting a product or strategy. Capital at risk. The value of investments and the income from them can fall as well as rise and are not guaranteed. You may not get back the amount originally invested. The value of investments involving exposure to foreign currencies can be affected by exchange rate movements. We remind you that the levels and bases of, and reliefs from, taxation can change.

BlackRock has not considered the suitability of this investment against your individual needs and risk tolerance. The data displayed provides summary information. Investment should be made on the basis of the relevant Prospectus which is available from the manager.

In respect of the products mentioned this document is intended for information purposes only and does not constitute investment advice or an offer to sell or a solicitation of an offer to buy the securities described within. This document may not be distributed without authorisation from BlackRock Advisors (UK) Limited.

Regulatory information

BlackRock Advisors (UK) Limited, which is authorised and regulated by the Financial Conduct Authority ('FCA'), having its registered office at 12 Throgmorton Avenue, London, EC2N 2DL, England, Tel +44 (0)20 7743 3000, has issued this document for access by Professional Clients only and no other person should rely upon the information contained within it. For your protection, calls are usually recorded.

For investors in Switzerland

The iShares ETFs are domiciled in Ireland, Switzerland and Germany. BlackRock Asset Management Schweiz AG, Bahnhofstrasse 39, CH-8001 Zurich, is the Swiss Representative and State Street International GmbH, Munich, Zurich Branch, Beethovenstrasse 19, CH-8002 Zürich the Swiss Paying Agent for the foreign iShares ETFs registered in Switzerland. The Prospectus, the Prospectus with integrated fund contract, the Key Investor Information Document, the general and particular conditions, the Articles of Incorporation, the latest and any previous annual and semi-annual reports of the iShares ETFs domiciled or registered in Switzerland are available free of charge from BlackRock Asset Management Schweiz AG. Investors should read the fund specific risks in the Key Investor Information Document and the Prospectus.

FOR RESIDENTS IN THE UNITED STATES:

This publication has not been prepared, reviewed or distributed by any broker-dealer affiliate of BlackRock and should not be deemed a product of any such affiliate. This publication does not provide financial, investment or tax advice or information relating to the securities of any particular fund or other issuer. The information and opinions included in this publication are based on publicly available information, are subject to change and should not be relied upon for any purpose other than general information and education. This publication has been prepared without regard to the individual financial circumstances and objectives of those who receive it and the types of securities discussed in this publication may not be suitable for all investors. The information included in this document has been taken from trade and other sources considered to be reliable. This document is published in good faith but no representation or warranty, express or implied is made by BlackRock or by any person as to its accuracy or completeness and it should not be relied on as such. BlackRock or any of its directors, officers, employees or agents shall have no liability for any loss or damage arising out of the use or reliance on the material provided including without limitation, any loss of profit or any other damage, direct or consequential. Any opinions expressed in this document reflect our analysis at this date and are subject to change. This is not a recommendation, offer or solicitation to buy or sell any securities or to adopt any strategy in any jurisdiction.

FOR INVESTORS IN CANADA:

This material is intended for accredited investors, is for educational purposes only, does not constitute investment advice and should not be construed as a solicitation or offering of units of any fund or other security in any jurisdiction.

Important Information (continued)

FOR INSTITUTIONAL INVESTORS AND FINANCIAL INTERMEDIARIES ONLY (NOT FOR PUBLIC DISTRIBUTION) IN LATIN AMERICA AND IBERIA:

This material is for educational purposes only and does not constitute investment advice or an offer or solicitation to sell or a solicitation of an offer to buy any shares of any fund or security and it is your responsibility to inform yourself of, and to observe, all applicable laws and regulations of your relevant jurisdiction. If any funds are mentioned or inferred in this material, such funds may not be registered with the securities regulators of Argentina, Brazil, Chile, Colombia, Mexico, Panama, Peru, Portugal, Spain Uruguay or any other securities regulator in any Latin American or Iberian country and thus, may not be publicly offered in any such countries. The provision of investment management and investment advisory services is a regulated activity in Mexico thus is subject to strict rules. For more information on the Investment Advisory Services offered by BlackRock Mexico please refer to the Investment Services Guide available at www.blackrock.com/mx. The securities regulators of any country within Latin America or Iberia have not confirmed the accuracy of any information contained herein. No information discussed herein can be provided to the general public in Latin America or Iberia. The contents of this material are strictly confidential and must not be passed to any third party.