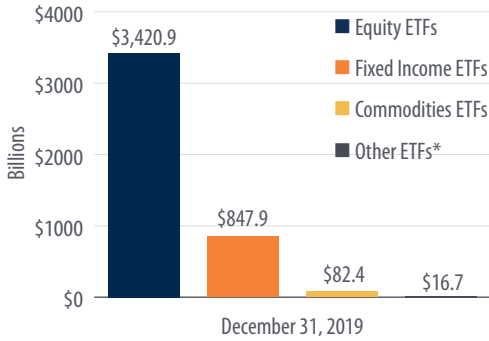


ETF DATA WATCH: ASSET FLOWS MONITOR

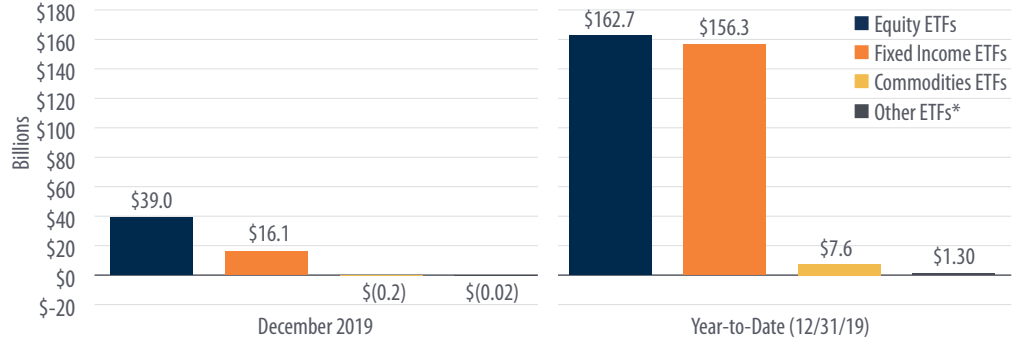
JANUARY 2020

Ryan O. Issakainen, CFA | Senior Vice President | ETF Strategist

Total Assets Under Management: US-Listed ETFs



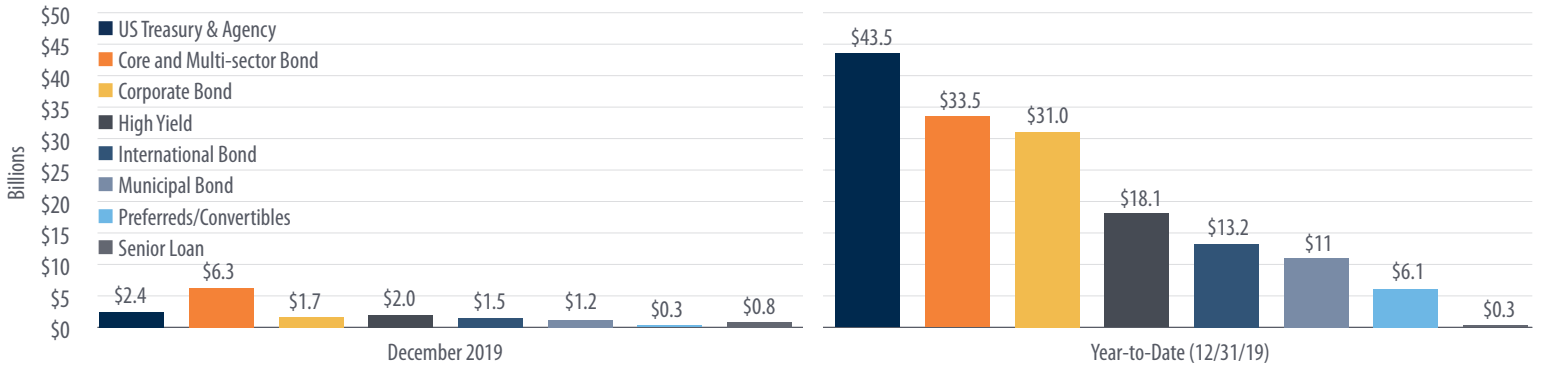
ETF Net Asset Flows by Asset Class



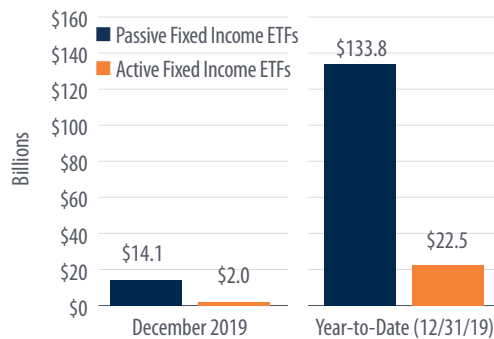
- US-listed ETFs gained just under \$330 billion in net inflows in 2019, the second-best year on record.
- Total ETF assets under management rose to \$4.37 trillion.
- Fixed income ETFs were the largest asset gatherer for much of the year. However, a surge in net inflows for equity ETFs in Q4 resulted in a change of leadership by year-end.

FIXED INCOME ETFs

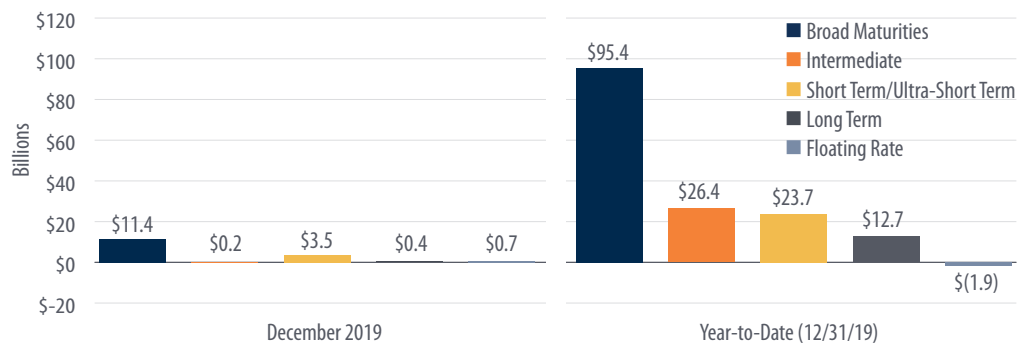
ETF Net Asset Flows by Category



Active vs. Passive Net Flows



ETF Net Asset Flows by Maturity Target



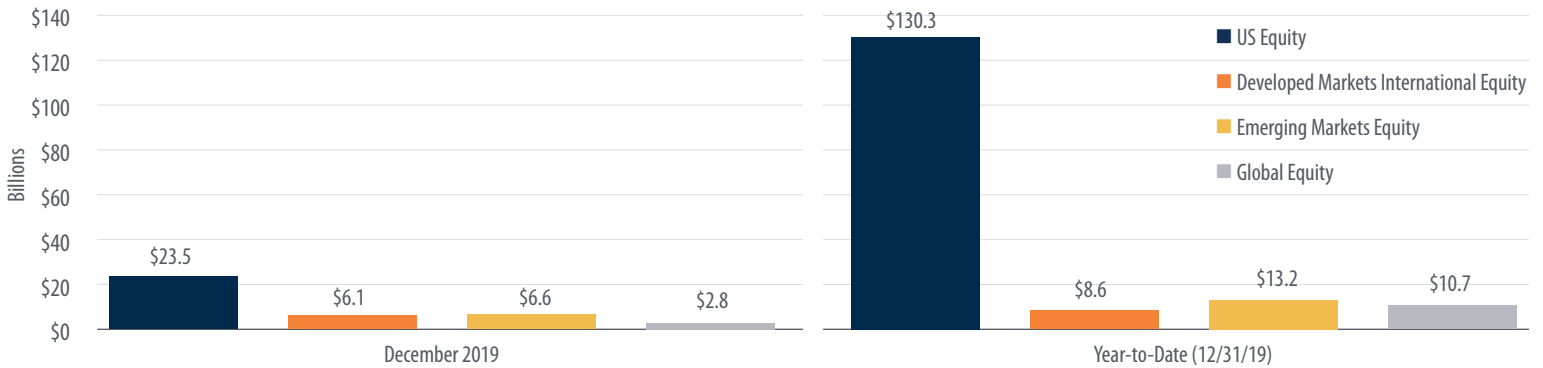
- While Core and Multi-sector Bond ETFs had the strongest net inflows in December, US Treasury & Agency ETFs led the way in terms of asset gathering for 2019.
- Overall, 6 fixed income categories had net flows greater than \$1 billion in December.
- Sorted by maturity target, fixed income ETFs with broad mandates had the strongest net inflows in December, as well as in 2019. Floating-rate ETFs eked out positive net inflows in December but remained negative for 2019.
- Actively-managed fixed income ETFs gathered a meaningful amount of net inflows in 2019, accounting for \$22.5 billion (14.4%) in overall net inflows, bringing the market share for actively-managed fixed income ETFs to 9.3%.

Data Sources: FactSet and Morningstar.

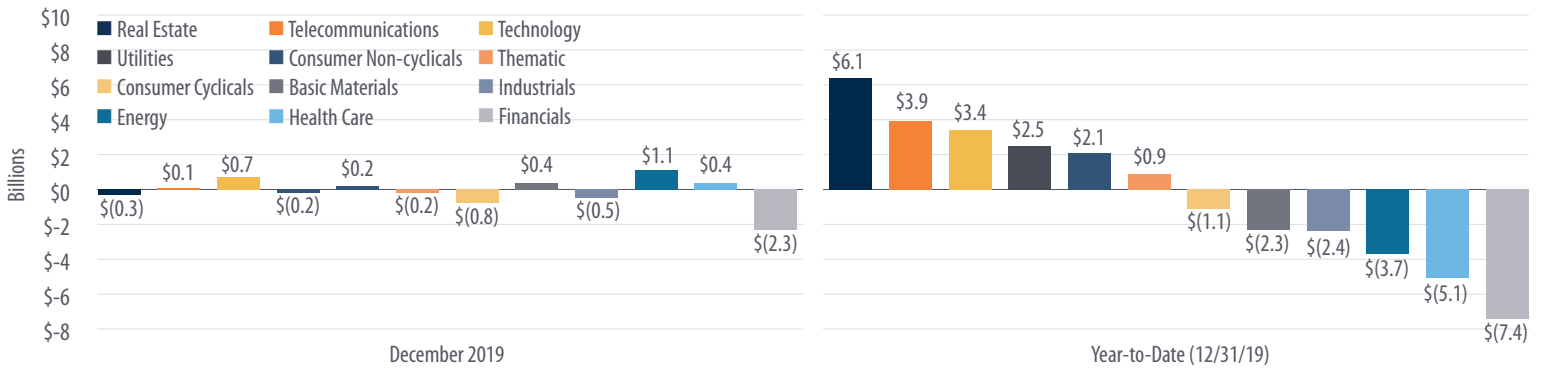
*"Other ETFs" includes asset allocation, alternatives, and currency ETFs.

EQUITY ETFs

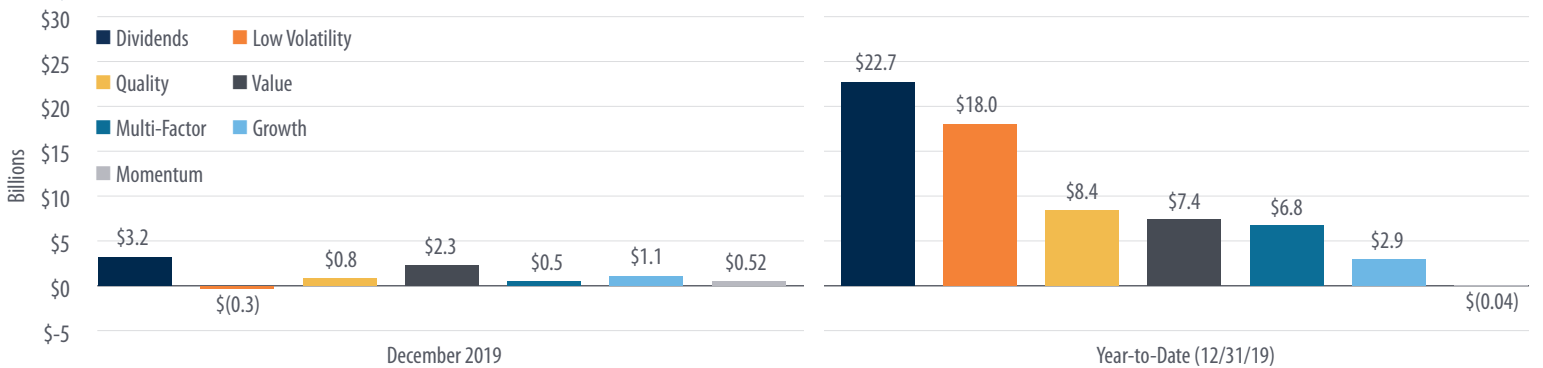
ETF Net Asset Flows by Region



Equity Sector ETFs: Net Asset Flows



Equity Factor ETFs: Net Asset Flows



- US Equity ETFs were a clear standout in terms of asset gathering in 2019. December's take of \$23.5 billion capped off a total of \$130 billion in net inflows for the year, bringing total assets to \$2.53 trillion.
- Sector ETFs had a few clear winners and losers for net flows in 2019. Real estate, Telecom, Technology, and Utilities had the strongest net inflows, while Financials, Health Care, and Energy had the worst net outflows.
- Factor ETFs continued to grow more popular in 2019.
 - Dividend ETFs had a strong finish for the year, capping off nearly \$23 billion in net inflows for 2019.
 - Low volatility ETFs had net redemptions in December, but still maintained second place among factor ETFs in 2019, with \$18 billion in net inflows.
 - Quality remained steady in December, bringing net inflows to \$8.4 billion in 2019.
 - After remaining under water for much of the year, Value ETFs gathered net inflows again in December, bringing the 2019 total to \$7.4 billion.

Data Sources: FactSet and Morningstar

The information presented is not intended to constitute an investment recommendation for, or advice to, any specific person. By providing this information, First Trust is not undertaking to give advice in any fiduciary capacity within the meaning of ERISA, the Internal Revenue Code or any other regulatory framework. Financial advisors are responsible for evaluating investment risks independently and for exercising independent judgment in determining whether investments are appropriate for their clients.