

Investors are Flocking to ETFs/ETPs

ETF/ETP Assets (U.S. vs. Global)

Year	U.S. Assets (Trillions)	% Change from Prior Year-End	Global Assets (Trillions)	% Change from Prior Year-End
2008	\$0.54	-13.20%	\$0.77	-9.68%
2009	\$0.79	46.57%	\$1.16	49.61%
2010	\$1.01	27.72%	\$1.48	27.63%
2011	\$1.06	5.05%	\$1.53	3.25%
2012	\$1.35	27.08%	\$1.95	27.72%
2013	\$1.70	26.06%	\$2.40	23.04%
2014	\$2.00	17.90%	\$2.78	16.10%
2015	\$2.13	6.39%	\$2.99	7.54%
2016	\$2.55	19.67%	\$3.55	18.50%
2017 (9/30)	\$3.17	24.21%	\$4.47	25.99%

Source: ETFGI. ETF = Exchange-traded fund and ETP = Exchange-traded product.
Global assets include U.S. assets.

View from the Observation Deck

1. As indicated by the data in the table, the U.S. is currently dominating the ETF/ETP landscape. As of 9/30/17, total assets stood at \$3.17 trillion, or 70.9% of the \$4.47 trillion global market.
2. The U.S. accounted for 2,035 of the 7,060 ETFs/ETPs trading globally at the close of September 2017.
3. Equities are the most popular asset class for investors by far. Data from the Investment Company Institute (ICI) indicates that roughly \$8 out of every \$10 invested in ETFs are in equity funds.
4. One of the prognostications floated years ago was that a notable percentage of the future growth in the U.S. ETF/ETP market, particularly with respect to equity funds, might come at the expense of the mutual fund industry.
5. From 12/31/08-8/31/17, total assets held by equity mutual funds increased from \$3.66 trillion to \$9.66 trillion, according to the ICI. Data from the ICI also shows that the number of equity mutual funds currently active has only declined slightly, from 4,795 on 12/31/08 to 4,725 on 8/31/17. While the mass migration from mutual funds to ETFs/ETPs has yet to occur, we'll continue to monitor the situation.
6. In March 2017, ETF Trends reported that the average holding period of U.S. and international equity ETFs by retail investors was 20 months.

This chart is for illustrative purposes only and not indicative of any actual investment.

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