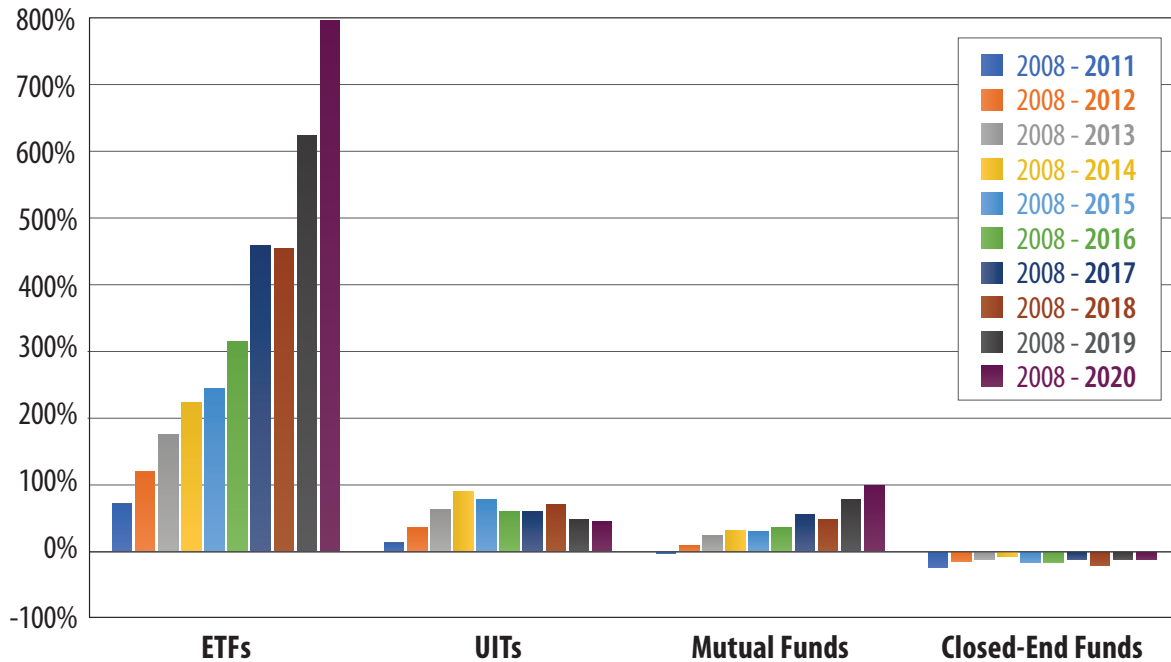


# Passive Investment Vehicles Have Posted The Strongest Asset Growth Since The End of 2007

Percentage Change in Total Assets by Type of Packaged Product



Source: Investment Company Institute, Strategic Insight Simfund

## View from the Observation Deck

1. This marks the 10th calendar year in which we have tracked the asset growth of the four major types of packaged products since the close of 2007 (prior to financial crisis in 2008-2009).
2. The percentage change in the total assets invested in packaged products from 2008 to 2020 were as follows (see chart): Exchange-Traded Funds (ETFs) (+796%); UITs (+45%); Mutual Funds (+99%); and Closed-End Funds (-12%).
3. From 2019 to 2020, total assets in each of the four major types featured in the chart fluctuated as follows: ETFs (\$4.40 trillion vs. \$5.45 trillion); UITs (\$79 billion vs. \$77 billion); Mutual Funds (\$21.3 trillion vs. \$23.9 trillion); and Closed-End Funds (\$278 billion vs. \$278 billion).
4. With respect to mutual funds, while we do not yet have the figures for 2020, data from the Investment Company Institute indicates that assets held in Passive (Index) funds rose 400.42% from 2008 through 2019, while Active fund assets increased just 66.14%. This clearly shows that passive investing is driving the growth in mutual fund assets.
5. Investors once again favored passive investing over active management in 2020, according to Morningstar. Its data shows that estimated net flows to all Active long term mutual funds and ETFs totaled -\$188.0 billion, while estimated net flows to all Passive funds and ETFs totaled \$400.5 billion.
6. There is no doubt that passive investing continues to drive demand for packaged products.

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

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