 **Global Market
Intelligence**

FundFlash US

December 2020

FundFlash provides a summary of the regional trends and developments in the funds market over the previous month.

The report is built using the Global Market Intelligence (GMI) funds module which tracks \$50trn in global funds assets with unique views of distributor and internationally sold business.

GMI Funds sits alongside our Institutional module and together is relied on by over 100 asset managers as their source for global asset management market intelligence.

THE MONTH IN REVIEW

December's positive net flows continue a remarkable turnaround since March. While 2020 will be remembered for many obvious reasons, it was also unremarkable for maintaining a shift from mutual funds to ETFs, a pattern that is unlikely to change for the foreseeable future.

PRODUCTS

Investors stick by fixed income strategies in December, as flows to corporate bond categories in particular outdraw all others. Municipal debt funds also see solid inflow activity.

DISTRIBUTORS

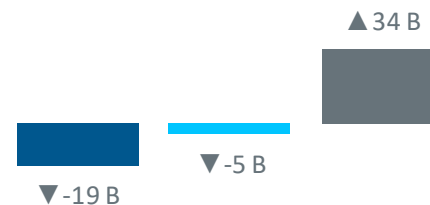
Growth among the retail channels varies this month: broker-dealer grows 0.35% while RIA and wirehouse decline from the previous period.

COMPETITION

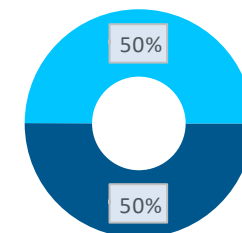
Vanguard Short-Term Investment-Grade Fund ranks number one for actively managed fund flows in December, while Vanguard Total Bond Market II Index Fund outpaces the competition for index funds. ETFs are led by Vanguard Total Stock Market ETF, followed by iShares Russell 2000 ETF.

DECEMBER OVERVIEW

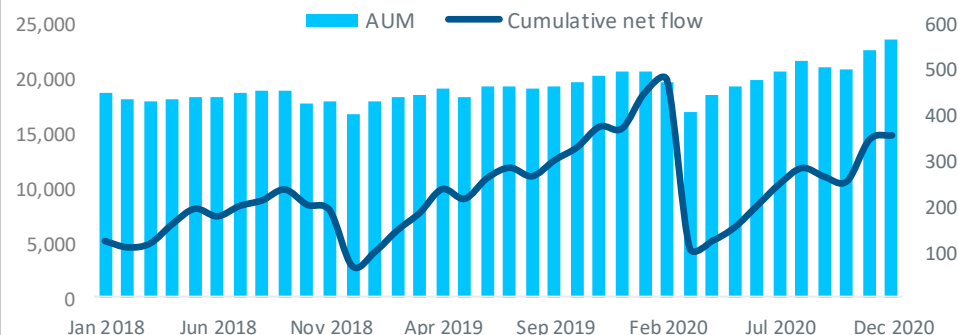
ACTIVE VS PASSIVE FLOW, \$B



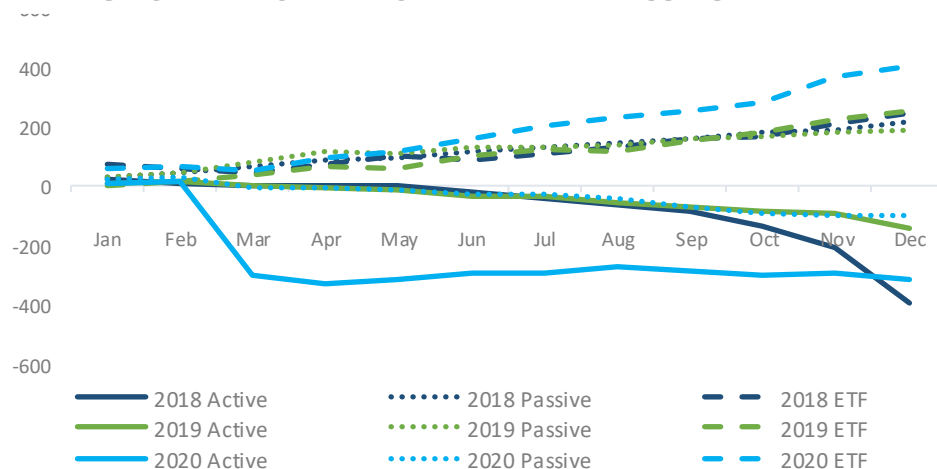
FLOW SENTIMENT, %



3 YR FUND INDUSTRY ASSET & FLOW MOMENTUM, \$B



FLows BY INVESTMENT STYLE AND YEAR - CUMULATIVE



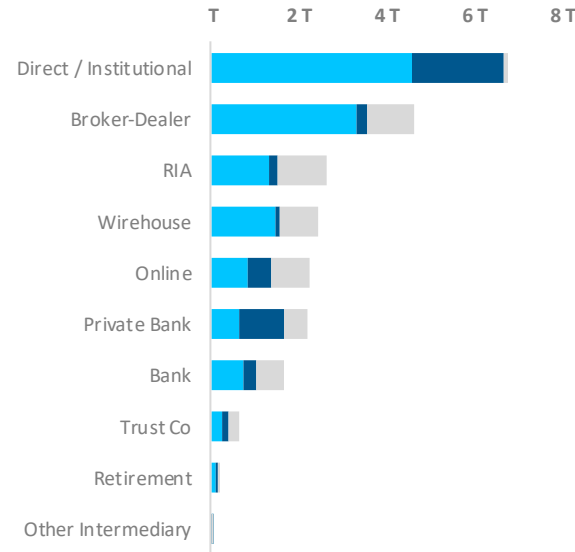
DISTRIBUTION

The direct/institutional channel remains the majority asset holder (\$6.8trn, or about 29%) across all channels, with 68% of its AUM held within actively managed products.

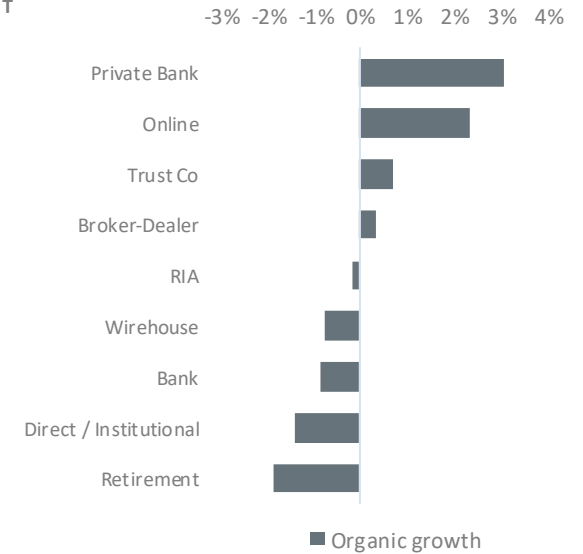
Growth among the retail channels varied in December: broker-dealer grew 0.35% while RIA and wirehouse saw their assets decline from the previous period.

Private bank AUM grew over 3% in December after sliding 5% in November.

DISTRIBUTION CHANNEL, AUM \$T



DISTRIBUTION CHANNEL, GROWTH %



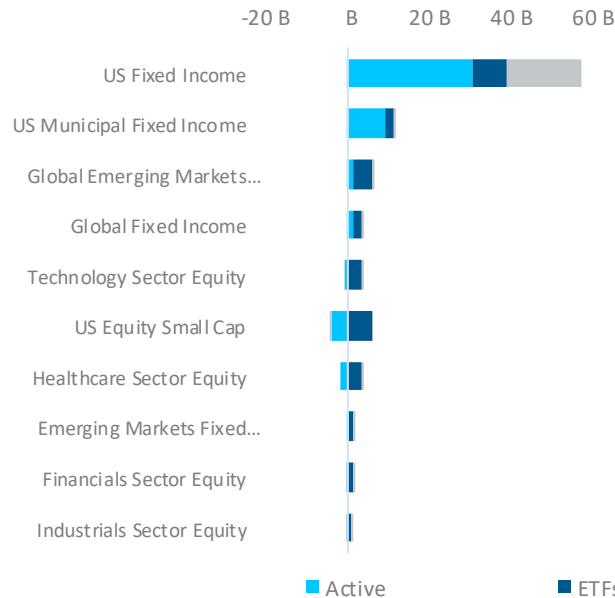
PRODUCT

Overall, actively managed funds drove the greater part of flows as investors favored fixed income products.

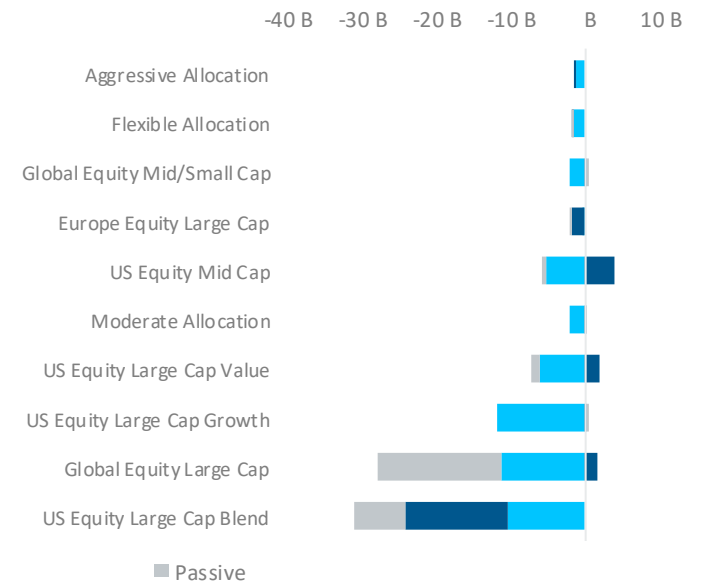
Four of the top-10 categories for inflows were fixed income-related; another four were equity sectors.

Despite overall outflows in the categories, ETFs in the mid-cap, large-value, and global large-cap categories had positive net flows.

TOP-10 PRODUCT NET FLOW, \$B



BOTTOM-10 PRODUCT NET FLOW, \$B

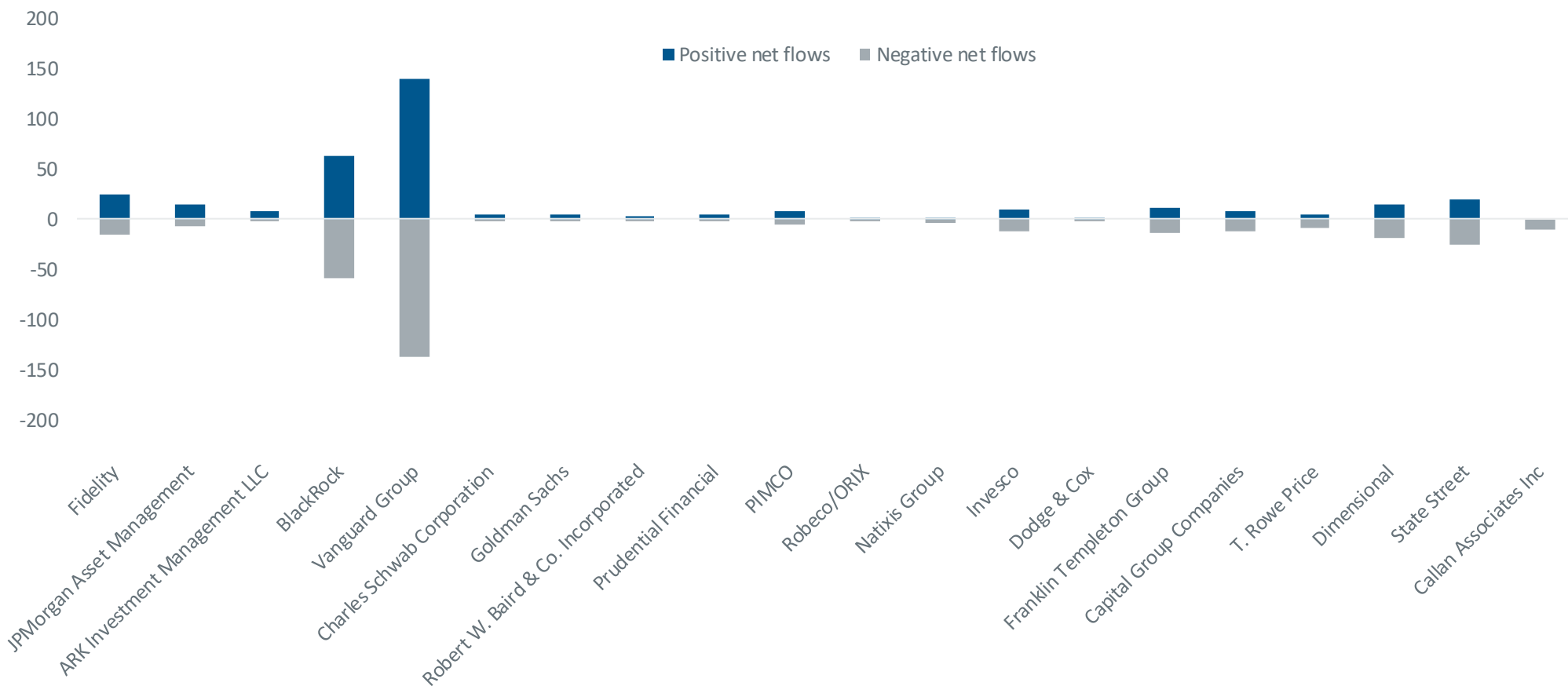


COMPETITION

BlackRock was knocked from its perch as the top net flows gainer this month as Fidelity claimed the top rank. Third-ranked ARK's Genomics Revolution and Innovation ETFs were two of the top draws this month, raking in over \$5bn between them.

Long-suffering DFA (Dimensional) remained in net outflows, but was replaced at the bottom of the rankings by Callan Associates. However, this is a one-time occurrence, as Callan liquidated 15 products (including a target-date series) with \$21bn AUM that it had built for Kaiser Permanente's 401(k) plan participants.

POSITIVE vs NEGATIVE NET FLOW BY GROUP, \$B (TOP AND BOTTOM 10)



MONTHLY NET FLOW LEADERS

	Fund name	Group	Sector	Launch date	AUM, \$B	Net flow, \$B	Organic growth
Top active net flow	1 Vanguard Short-Term Investment-Grade Fund	Vanguard	US Fixed Income	Oct 1982	72.472	2.803	4%
	2 ARK Genomic Revolution ETF	ARK IM	Healthcare Sector Equity	Oct 2014	7.653	2.721	66%
	3 ARK Innovation ETF	ARK IM	US Equity Mid Cap	Oct 2014	17.751	2.711	21%
	4 Fidelity Series Investment Grade Bond Fund	Fidelity	US Fixed Income	Oct 2008	37.566	2.249	6%
	5 American Funds Bond Fund of America	Capital Group	US Fixed Income	May 1974	70.234	1.572	2%
	6 Vanguard Ultra-Short-Term Bond Fund	Vanguard	US Fixed Income	Feb 2015	15.978	1.567	11%
Top passive net flow	1 Vanguard Total Bond Market II Index Fund	Vanguard	US Fixed Income	Jan 2009	221.765	7.613	4%
	2 Vanguard Total Bond Market Index Fund	Vanguard	US Fixed Income	Dec 1986	234.942	2.544	1%
	3 Fidelity 500 Index Fund	Fidelity	US Equity Large Cap Blend	Feb 1988	287.097	2.507	1%
	4 Fidelity Series Bond Index Fund	Fidelity	US Fixed Income	Apr 2019	15.436	1.387	10%
	5 Fidelity US Bond Index Fund	Fidelity	US Fixed Income	Mar 1990	57.443	1.273	2%
	6 TIAA-CREF Bond Index Fund	TIAA	US Fixed Income	Sep 2009	19.003	1.040	6%
Top ETF	1 Vanguard Total Stock Market ETF	Vanguard	US Equity Large Cap Blend	May 2001	202.074	4.706	2%
	2 iShares Russell 2000 ETF	BlackRock	US Equity Small Cap	May 2000	58.607	3.078	6%
	3 iShares Core MSCI Emerging Markets ETF	BlackRock	Global Emerging Markets Equity	Oct 2012	68.717	2.839	5%
	4 Vanguard Total Bond Market ETF	Vanguard	US Fixed Income	Apr 2007	68.245	2.351	4%
	5 Vanguard Total International Stock ETF	Vanguard	Global Equity Large Cap	Jan 2011	38.514	2.206	6%
	6 Vanguard Total International Bond ETF	Vanguard	Global Fixed Income	May 2013	37.326	2.024	6%
	Fund name	Group	Sector	Style	AUM, \$m		
Top Launches	1 TrimTabs Donoghue Forlines Risk Managed Innovation ETF	Trimtabs AM	US Equity Large Cap Blend	ETF	89		
	2 DFA Dimensional Emerging Core Equity Market ETF	Dimensional	Global Emerging Markets Equity	Active	59		
	3 Invesco High Yield Bond Factor ETF	Invesco	US Fixed Income	Active	27		
	4 KFA Mount Lucas Index Strategy ETF	Krane Funds Adv	Global Macro	Active	26		
	5 Pacific Funds ESG Core Bond Fund	Pacific Life	US Fixed Income	Active	25		
	6 FT Cboe Vest US Equity Buffer ETF - December	First Trust	US Equity Large Cap Blend	Active	25		

THIS REPORT WAS BUILT WITH GLOBAL MARKET INTELLIGENCE

GMI FUNDS

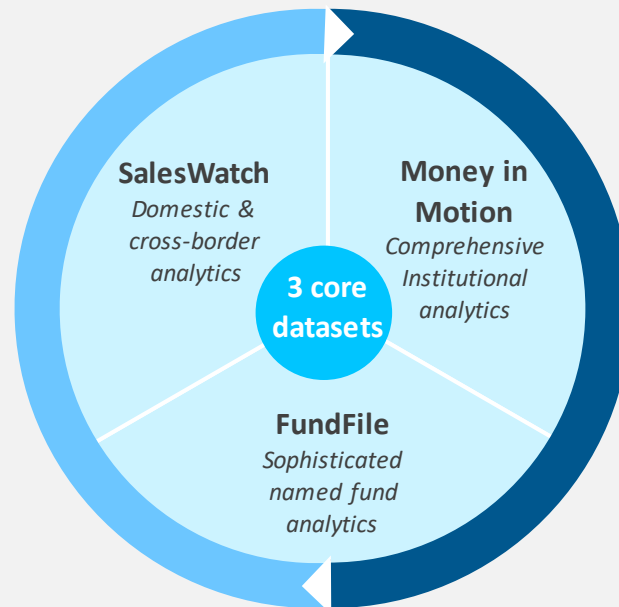
Detailed Domestic and Cross-Border Fund Market Intelligence across retail & institutional channels

- Fund assets, flows and launches by product and region
- 88,000 open ended-funds globally
- Fund benchmarks, rankings and named competitive positioning
- Advanced fund and competition analytics
- Cross-border and distributor analytics

Americas

EMEA

APAC



GMI INSTITUTIONAL

Detailed Global Institutional Market Intelligence across all vehicles

- Institutional assets and flows by product, region and client type
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- True Negotiated Fee analysis
- Named consultant analysis

Americas

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