 **Global Market
Intelligence**

FundFlash US

January 2021

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

Investing enthusiasm ticks up in January as investors add \$72.9bn to their accounts, up from December's paltry \$9.3bn. Stock markets are mixed, as large-cap benchmarks end slightly down (the S&P 500 loses 1%) while the small-cap Russell 2000 notches a solid gain of 5%.

PRODUCTS

Fixed income inflows remain strong and they easily outpace equities. This leads active fund flows to outdraw passive fund flows, though both are dwarfed by ETF inflow activity of \$61bn.

DISTRIBUTORS

Assets in the Online channel climb 1.97% while AUM in the much larger Direct/Institutional channel declines 0.49%.

COMPETITION

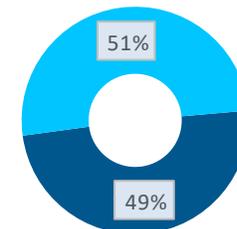
Upstart ARK Investment Management places fourth for top industry inflows, behind behemoths Vanguard, BlackRock, and JP Morgan – both of the top-2 active products for inflows are from ARK. Risk is top-of-mind these days: four of the top-6 launches have downside protection or volatility management baked into their strategies.

JANUARY OVERVIEW

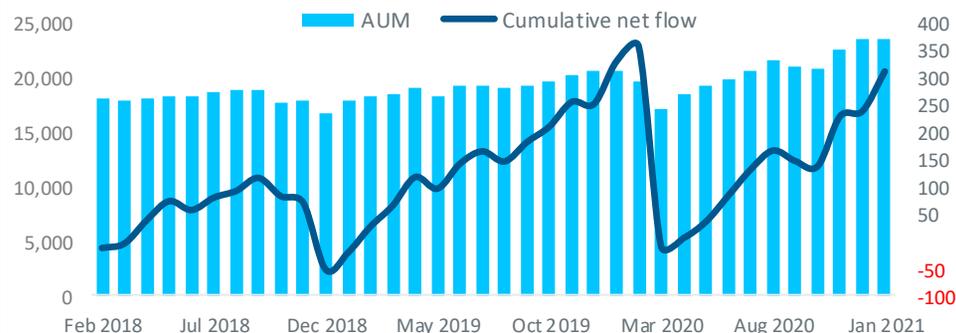
ACTIVE VS PASSIVE FLOW, \$B



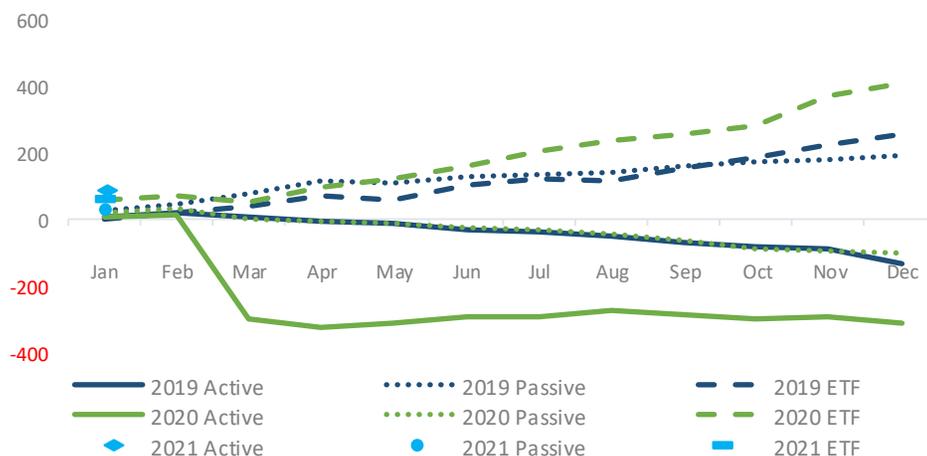
FLOW SENTIMENT, %



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



FLows BY INVESTMENT STYLE AND YEAR - CUMULATIVE



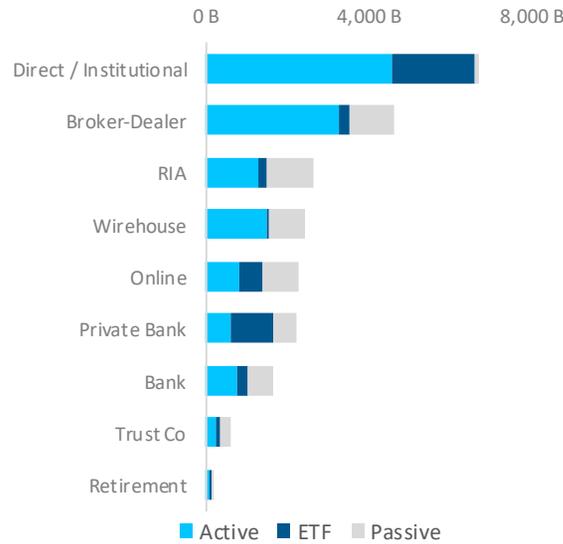
DISTRIBUTION

Assets in the Direct/Institutional channel grew to \$6.7trn in January, or about 29% of industry AUM.

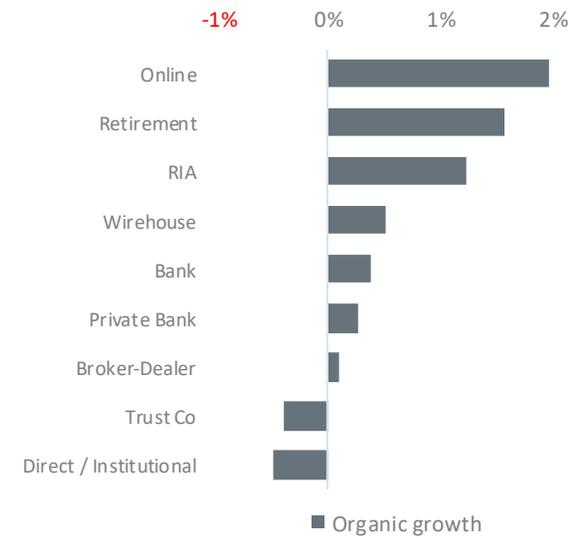
Combined B/D, Wirehouse, and RIA assets grew to \$9.7trn or 42% of industry AUM.

The growing Online channel (now 10% of industry AUM) has one of the lowest active fund allocations – only 37%.

DISTRIBUTION CHANNEL, AUM \$B



DISTRIBUTION CHANNEL, GROWTH %



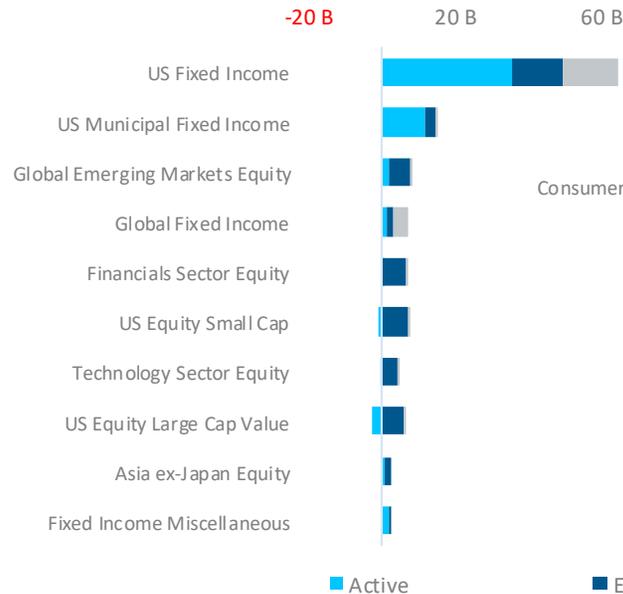
PRODUCT

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

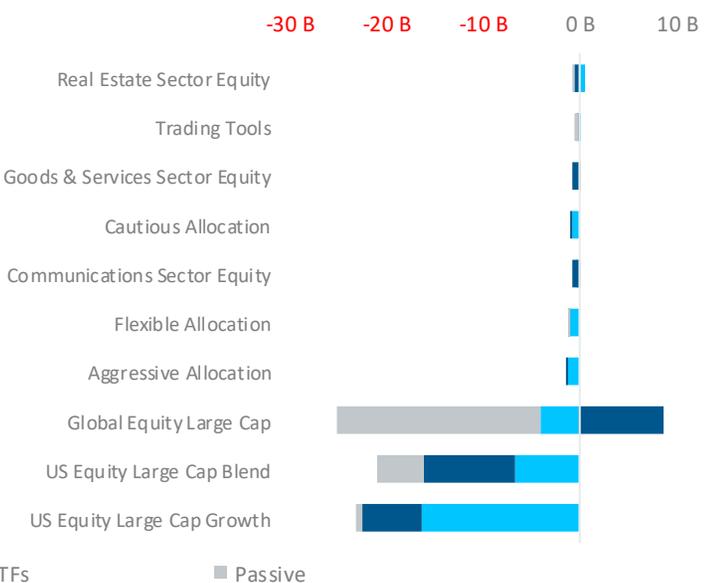
Investors turned their gaze toward last year's underperformers: emerging markets and large value finally got a taste of inflows.

Huge outflows continued to pressure large caps, both domestic and global. Outflows hit allocation funds, but those outflows are likely due to a vehicle preference (SMA, CIT) over mutual funds.

TOP-10 PRODUCT NET FLOW, \$B



BOTTOM-10 PRODUCT NET FLOW, \$B



COMPETITION

Vanguard ranked number one for net inflows this month as three of its products took the top spots for best passive inflows. Second-placed BlackRock had three offerings among the top-6 ETFs for inflows.

T Rowe Price saw roughly \$3.3bn in withdrawals from its Target Retirement mutual funds and several flagship equity funds also encountered outflows.

ARK Investment Management had two active ETFs – Innovation and Genomic Revolution – place first and second, respectively, for top active fund inflows, raking in \$5.1bn between them.

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 ARK Innovation ETF	ARK IM	US Equity Mid Cap	Oct 2014	22.609	2.853	16%
	2 ARK Genomic Revolution ETF	ARK IM	Healthcare Sector Equity	Oct 2014	10.699	2.221	29%
	3 American Funds Bond Fund of America	Capital Group	US Fixed Income	May 1974	71.583	1.730	2%
	4 Vanguard Short-Term Investment-Grade Fund	Vanguard	US Fixed Income	Oct 1982	74.166	1.652	2%
	5 PIMCO Income Fund	PIMCO	US Fixed Income	Mar 2007	133.458	1.380	1%
	6 JPMorgan Hedged Equity Fund	JP Morgan AM	Long/Short Equity	Dec 2013	15.641	1.287	9%
Top passive net flow	1 Vanguard Total Bond Market II Index Fund	Vanguard	US Fixed Income	Jan 2009	226.883	6.911	3%
	2 Vanguard Total International Bond Index Fund	Vanguard	Global Fixed Income	May 2013	130.196	4.186	3%
	3 Vanguard Total Bond Market Index Fund	Vanguard	US Fixed Income	Dec 1986	235.005	1.932	1%
	4 Fidelity US Bond Index Fund	Fidelity	US Fixed Income	Mar 1990	58.102	1.062	2%
	5 Fidelity Series Bond Index Fund	Fidelity	US Fixed Income	Apr 2019	16.131	0.798	5%
	6 Fidelity SAI US Treasury Bond Index Fund	Fidelity	US Fixed Income	Mar 2016	7.986	0.772	11%
Top ETF	1 Select Sector Financial Select Sector SPDR Fund	State Street	Financials Sector Equity	Dec 1998	29.268	4.977	20%
	2 iShares Core Total USD Bond Market ETF	BlackRock	US Fixed Income	Jun 2014	9.639	3.661	61%
	3 iShares MSCI EAFE Value ETF	BlackRock	Global Equity Large Cap	Aug 2005	10.300	3.141	44%
	4 iShares Core MSCI Emerging Markets ETF	BlackRock	Global Emerging Markets Equity	Oct 2012	73.726	3.053	4%
	5 Vanguard Total Bond Market ETF	Vanguard	US Fixed Income	Apr 2007	70.346	2.622	4%
	6 Vanguard Total Stock Market ETF	Vanguard	US Equity Large Cap Blend	May 2001	203.993	2.568	1%
	Fund name	Group	Sector	Style	AUM, \$m		
Top Launches	1 GuideStone Global Impact Fund	GuideStone	Moderate Allocation	Active	153		
	2 FT Cboe Vest US Equity Buffer ETF - January	First Trust	US Equity Large Cap Blend	Active	45		
	3 Global X Adaptive US Risk Management ETF	Global X	US Equity Large Cap Blend	ETF	34		
	4 FT Cboe Vest US Equity Deep Buffer ETF - January	First Trust	US Equity Large Cap Blend	Active	28		
	5 Amplify BlackSwan ISWN ETF	Amplify Inv	Global Equity Large Cap	ETF	26		
	6 Direxion Daily Cloud Computing Bull 2X Shares	Rafferty	Trading Tools	ETF	22		

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GMI FUNDS

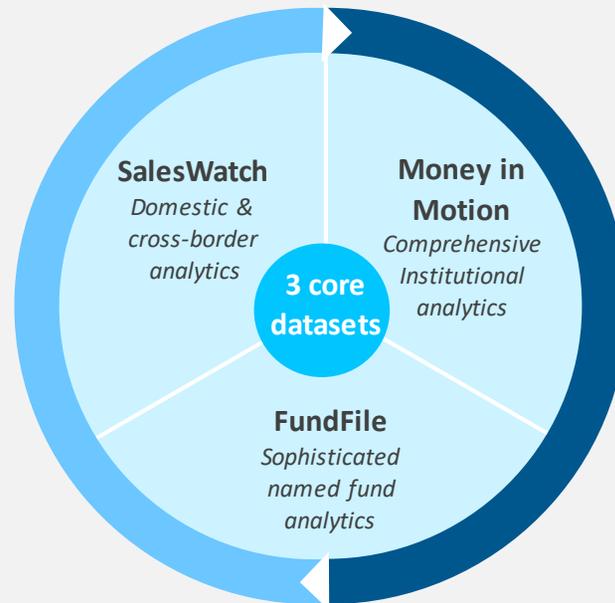
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Americas

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