 **Global Market  
Intelligence**

FundFlash US

July 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

- In July, US stocks recorded their fourth positive month in a row. The S&P 500 gained 5.5% and the tech sector drove the Nasdaq up 6.8% for the month. US unemployment driven by Covid-19 remained in double digit territory ending July at 10.2% as the nation's GDP contracted 33% on an annualized basis in 2Q marking a US recession.

### PRODUCTS

- Fixed-income products stayed in favor as investors continued to seek safe havens. For the year, cumulative flows in active funds remained in negative territory, while ETF product flows trended positive.

### DISTRIBUTORS

- Growth within advisor-led channels (RIA, Wirehouse, and Broker-Dealer) remained stable and positive.

### COMPETITION

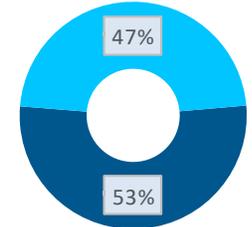
- America Funds Bond Fund of America ranked number one for actively managed fund flows for July, while Vanguard Total International Bond Index Fund outpaced the competition for index funds. ETFs were led by SPDR Gold Shares followed by iShares Core US Aggregate Bond ETF.

### JULY OVERVIEW

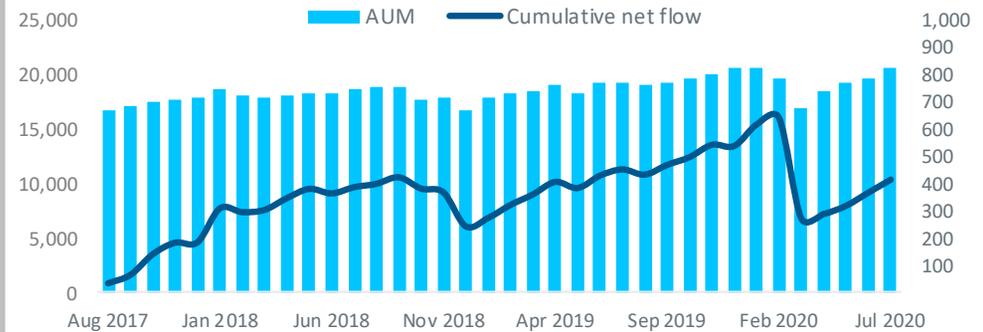
#### ACTIVE VS PASSIVE FLOW, \$B



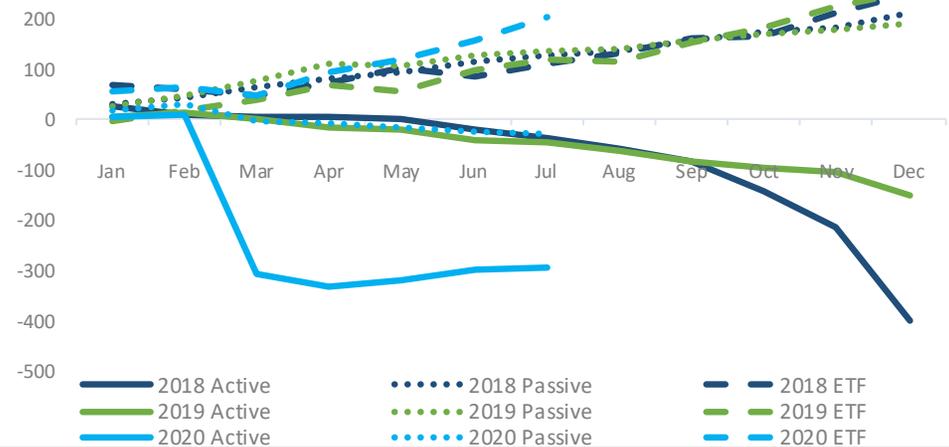
#### FLOW SENTIMENT, %



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



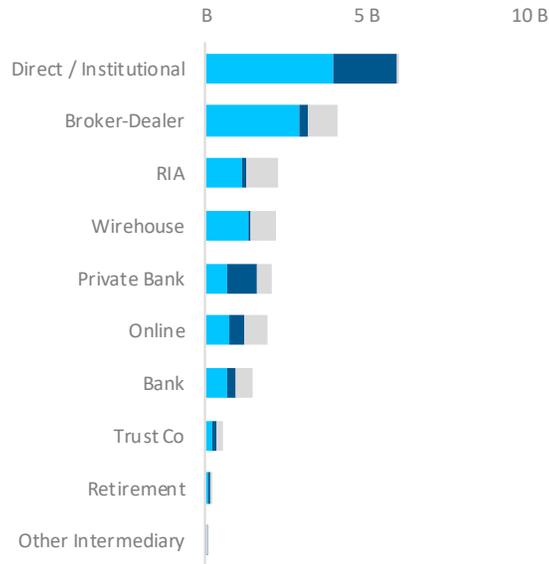
#### FLows BY INVESTMENT STYLE AND YEAR - CUMULATIVE



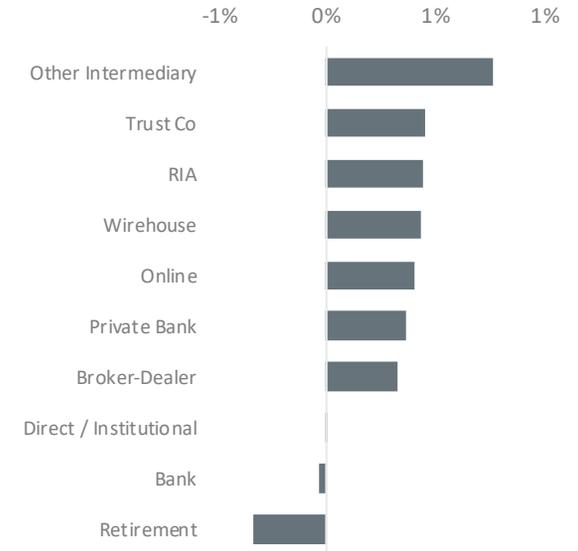
### DISTRIBUTION

- The Direct/Institutional channel remains the majority asset holder (\$5.9bn) across all channels. It has 67% of AUM held within actively managed products.
- In terms of asset growth, the three retail channels RIA, Wirehouse, and Broker-Dealer saw organic growth between 0.32-0.44% from the previous period.
- Growth within the Bank channel has slowed, and this month the channel crossed into negative territory.

**DISTRIBUTION CHANNEL, AUM \$B**



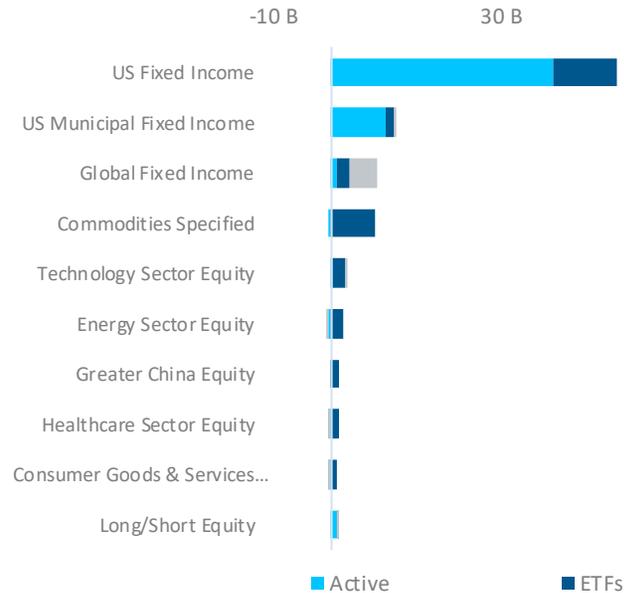
**DISTRIBUTION CHANNEL, GROWTH %**



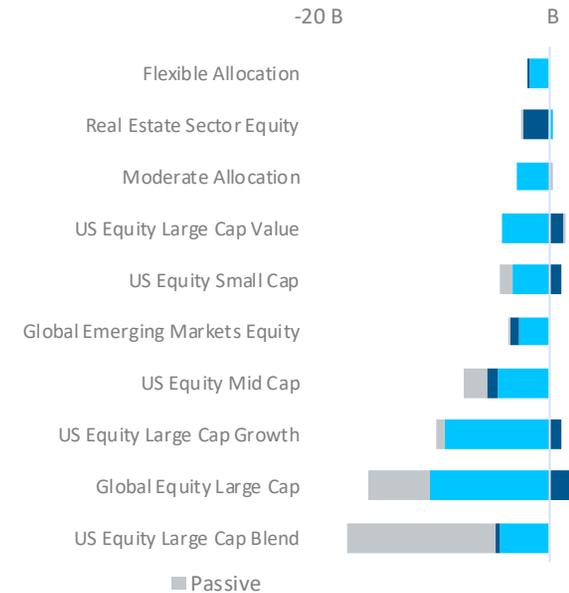
### PRODUCT

- Overall, actively managed funds drove the greater part of flows as investors favored fixed income products.
- Commodity investing remained in favor, largely driven by ETF gold funds.
- As investors withdrew large amounts of capital from active and passive equity mutual funds, large-cap global equity and large-cap growth US equity saw positive ETF flows.

**TOP-10 PRODUCT NET FLOW, \$B**



**BOTTOM-10 PRODUCT NET FLOW, \$B**



## COMPETITION

- BlackRock ranked number one for top net flows, driven by strong movement into iShares fixed income and commodity ETF products. Ranking second, Vanguard was the dominant fund family for index mutual fund flows, overtaking many of the Fidelity funds that led in June.
- Among the top firms this month for net outflows, Natixis Group, Franklin Templeton Group and Dimensional saw \$1.7-3.9bn in outflows.
- DFA US Sustainability Targeted Value Portfolio was the month's top fund launch. Built on investment principals that reflect responsible investing, it raised \$70m in early flows.

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



## MONTHLY NET FLOW LEADERS

	Fund name	Group	Sector	Launch date	AUM, \$m	Net flow, \$m	Organic growth
Top active net flow	1 American Funds Bond Fund of America	Capital Group	US Fixed Income	May 1974	62.164	2.001	3%
	2 Vanguard Ultra-Short-Term Bond Fund	Vanguard	US Fixed Income	Feb 2015	10.692	1.431	15%
	3 BlackRock High Yield Bond Portfolio	BlackRock	US Fixed Income	Nov 1998	25.383	1.396	6%
	4 Metropolitan West Total Return Bond Fund	TCW Grp	US Fixed Income	Mar 1997	87.906	1.153	1%
	5 Guggenheim Total Return Bond Fund	Guggenheim	US Fixed Income	Nov 2011	19.619	1.134	6%
	6 JPMorgan Hedged Equity Fund	JP Morgan AM	Long/Short Equity	Dec 2013	9.693	1.101	13%
Top passive net flow	1 Vanguard Total International Bond Index Fund	Vanguard	Global Fixed Income	May 2013	124.162	4.895	4%
	2 Vanguard Total Bond Market Index Fund	Vanguard	US Fixed Income	Dec 1986	228.149	3.784	2%
	3 Vanguard Total Bond Market II Index Fund	Vanguard	US Fixed Income	Jan 2009	198.436	2.952	2%
	4 Fidelity US Bond Index Fund	Fidelity	US Fixed Income	Mar 1990	54.039	1.532	3%
	5 Vanguard Short-Term Inflation-Protected Securities Index	Vanguard	US Fixed Income	Oct 2012	27.834	1.069	4%
	6 Vanguard Short-Term Bond Index Fund	Vanguard	US Fixed Income	Mar 1994	30.414	0.779	3%
Top ETF	1 SPDR Gold Shares	State Street	Commodities Specified	Nov 2004	78.434	3.899	6%
	2 iShares Core US Aggregate Bond ETF	BlackRock	US Fixed Income	Sep 2003	79.986	3.420	5%
	3 iShares iBoxx \$ High Yield Corporate Bond ETF	BlackRock	US Fixed Income	Apr 2007	30.740	2.708	10%
	4 Vanguard Total Bond Market ETF	Vanguard	US Fixed Income	Apr 2007	59.055	2.282	4%
	5 iShares Gold Trust	BlackRock	Commodities Specified	Jan 2005	31.041	2.198	8%
	6 SPDR Bloomberg Barclays High Yield Bond ETF	State Street	US Fixed Income	Nov 2007	13.179	2.147	20%
Top Launches	Fund name	Group	Sector	Style	AUM, \$m		
	1 DFA US Sustainability Targeted Value Portfolio	Dimensional	US Equity Small Cap	Active	69		
	2 American Century Sustainable Equity ETF	American Century	US Equity Large Cap Blend	Active	66		
	3 Inspire Tactical Balanced ESG ETF	Inspire (CWM Advisors)	Moderate Allocation	Active	64		
	4 FRC Founders Index Fund	First Republic	US Equity Large Cap Blend	Passive	45		
	5 Kayne Anderson Renewable Infrastructure Fund	Virtus	Industrials Sector Equity	Active	27		
6 SPDR S&P 500 ESG ETF	State Street	US Equity Large Cap Blend	ETF	26			

# THIS REPORT WAS BUILT WITH GLOBAL MARKET INTELLIGENCE

## GMI FUNDS

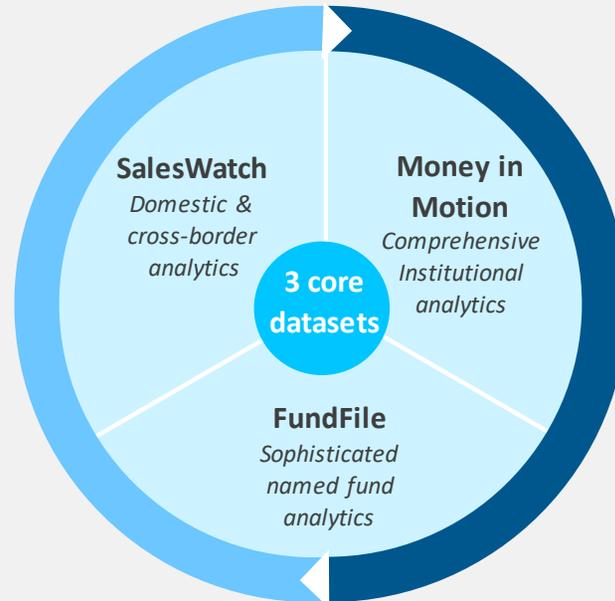
Detailed Domestic and Cross-Border Fund Market Intelligence across retail & institutional channels

- 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
- Separate Account, Private Fund, Mutual Fund, CIT and ETF Analysis
- Institutional Benchmarks and rankings
- True Negotiated Fee analysis
- Named consultant analysis

Americas

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APAC

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