 **Global Market
Intelligence**

FundFlash US

October 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

Rising coronavirus cases and dimming hopes for another round of fiscal stimulus lead large-cap benchmarks lower in October; the S&P 500 drops 2.8% for the month and its year-to-date return stands at +2.7%. Volatility spikes again near the end of the month as stocks drop.

PRODUCTS

Fixed income products stay in favor as investors continue to seek a safe harbor. For the year, cumulative flows in active funds remain in negative territory, while ETF flows sit well above 2018 & 2019 results.

DISTRIBUTORS

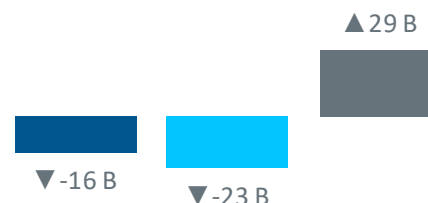
Late-month volatility likely sends online and direct investors for the exits as those channels post noteworthy outflows.

COMPETITION

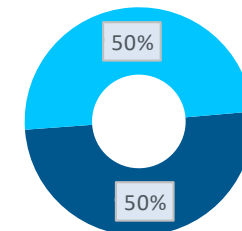
At the complex level, net flows range from BlackRock's +\$8.9bn to Vanguard's -\$8.3bn. JPMorgan's Hedged Equity Fund distinguishes itself as the sole non-bond fund to crack the top-net-flows table, and hedge fund manager Redwood Investment Management launches two more active quant ETFs under its LeaderShares brand.

OCTOBER OVERVIEW

ACTIVE VS PASSIVE FLOW, \$B

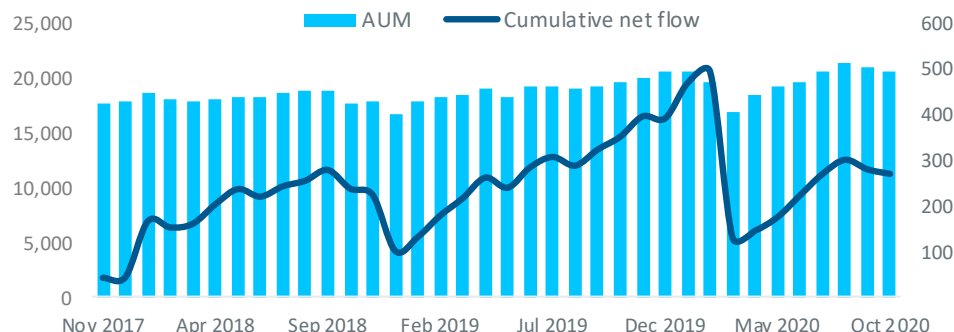


FLOW SENTIMENT, %

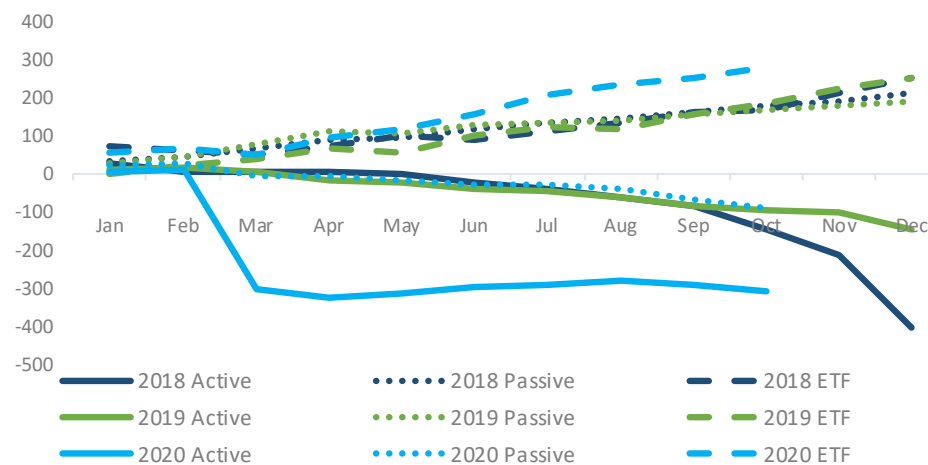


■ Active mutual funds ■ Passive mutual funds ■ % of # funds with negative flows ■ % of # funds with positive flows

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



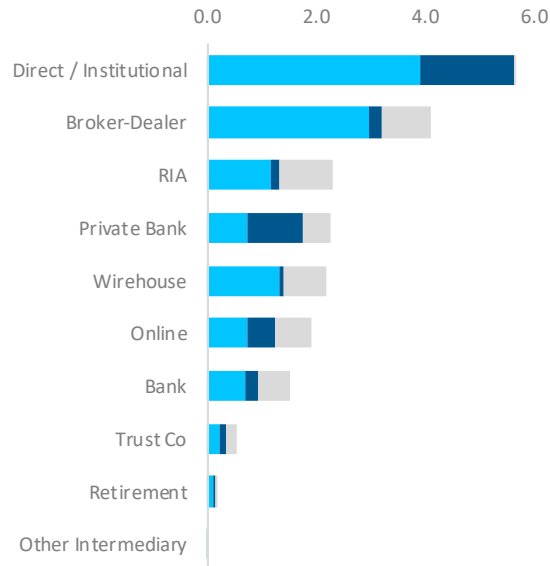
FLows BY INVESTMENT STYLE AND YEAR - CUMULATIVE



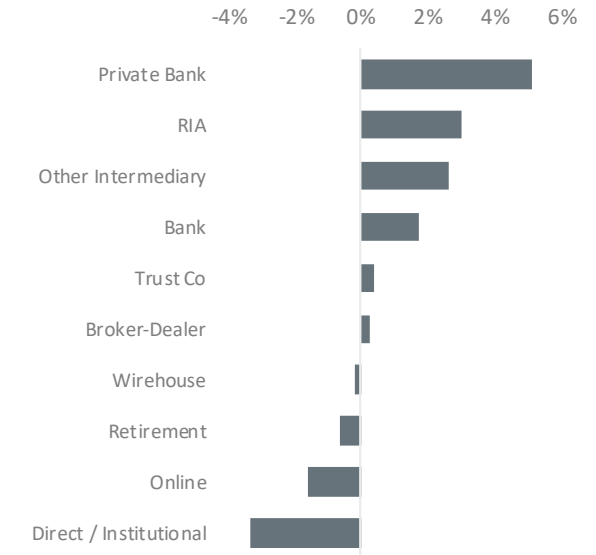
DISTRIBUTION

- The direct/institutional channel remains the largest asset holder (\$5.6trn) across all channels, and has 69% of AUM held within actively managed products.
- In terms of asset growth, of the three retail channels (RIA, wirehouse, and broker-dealer) only wirehouse failed to show an improvement as its organic growth for October came in at -0.16%.
- The steepest pullbacks were found in online (-1.56%) and direct/institutional (-3.28%).

DISTRIBUTION CHANNEL, AUM \$T



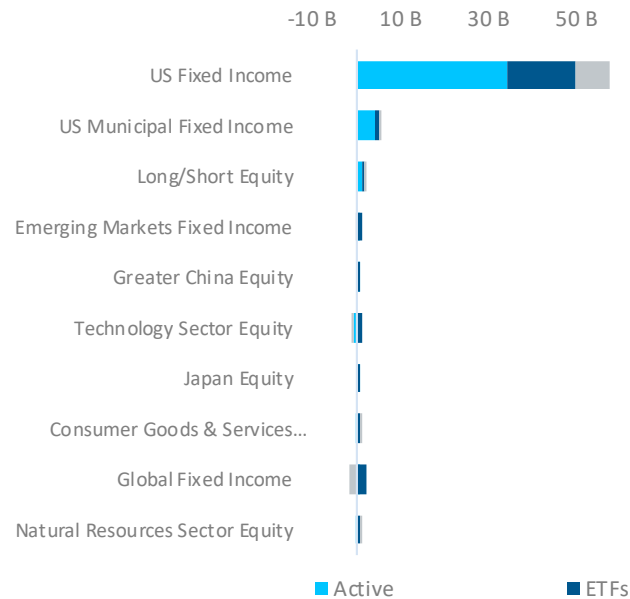
DISTRIBUTION CHANNEL, GROWTH %



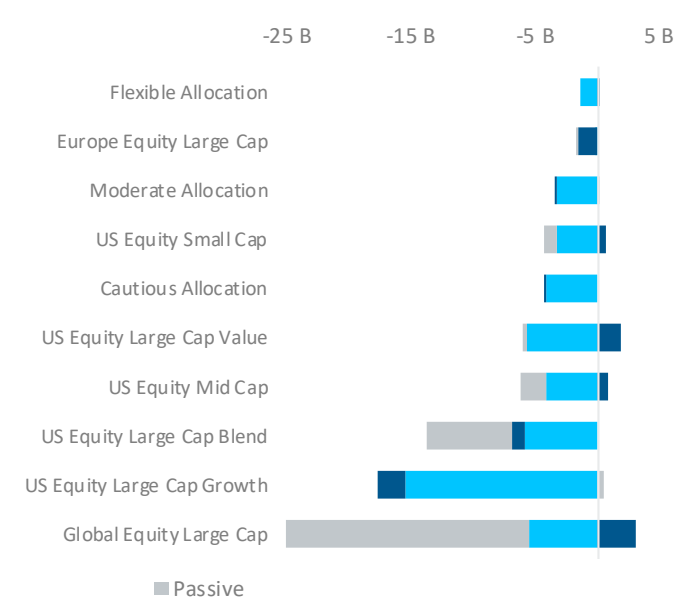
PRODUCT

- Actively managed bond funds drove the vast majority of inflows; investors fled for safer assets as equity volatility spiked.
- Not to be left out of the safety flight, muni bond funds also saw hearty inflows.
- Both domestic and global large caps were the source of investor angst, posting outflows from ETFs in many instances, though the primary source of outflows was from actively managed products. In addition, allocation-type funds also saw notable outflows.

TOP-10 PRODUCT NET FLOW, \$B



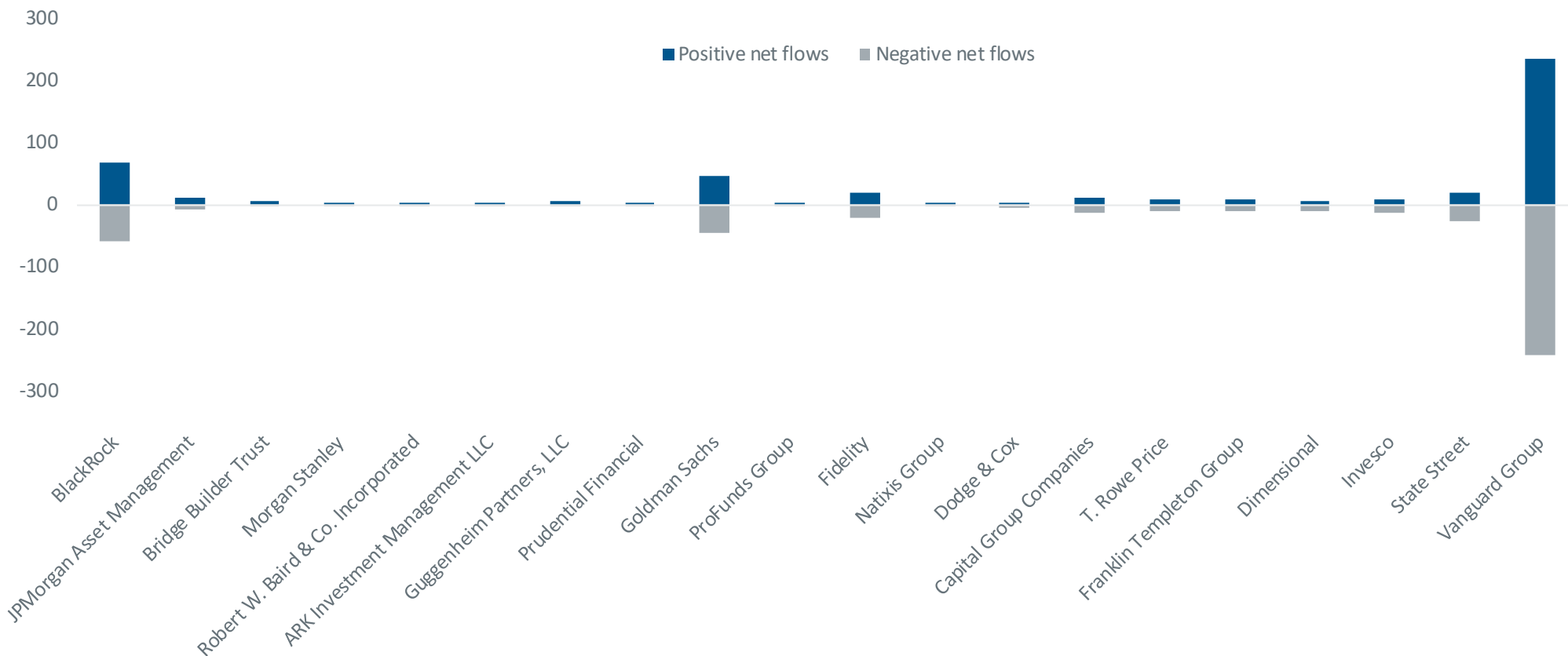
BOTTOM-10 PRODUCT NET FLOW, \$B



COMPETITION

- The sheer breadth of activity in Vanguard products appears to overwhelm the scale below: the firm's \$236bn of inflows were offset by \$244bn of outflows for a net outflow of \$8bn.
- The red-hot ARK suite of ETFs received net inflows of just under \$2bn.
- Invesco launched two ETFs that landed in the top-6 launches for the month, but their combined take of nearly \$400m was far exceeded by the firm's outflows from other products. Invesco ended October with net outflows of \$4.9bn.

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 Bridge Builder Core Plus Bond Fund	Bridge Builder	US Fixed Income	Jul 2015	23.844	2.848	14%
	2 Vanguard Institutional Intermediate-Term Bond Fund	Vanguard	US Fixed Income	Jun 2015	32.023	1.987	7%
	3 Old Westbury Credit Income Fund	Bessemer Trust	US Fixed Income	Sep 2020	1.936	1.936	0%
	4 American Funds Bond Fund of America	Capital Group	US Fixed Income	May 1974	66.291	1.568	2%
	5 JPMorgan Hedged Equity Fund	JP Morgan AM	Long/Short Equity	Dec 2013	12.740	1.566	14%
	6 Morgan Stanley Institutional Ultra-Short Income Portfolio	Morgan Stanley	US Fixed Income	Apr 2016	19.302	1.444	8%
Top passive net flow	1 Vanguard Total Bond Market II Index Fund	Vanguard	US Fixed Income	Jan 2009	204.550	3.356	2%
	2 Fidelity Series Total Market Index Fund	Fidelity	US Equity Large Cap Blend	Apr 2019	26.868	2.140	8%
	3 Vanguard Total Bond Market Index Fund	Vanguard	US Fixed Income	Dec 1986	229.461	1.910	1%
	4 TIAA-CREF Large-Cap Growth Index Fund	TIAA	US Equity Large Cap Growth	Oct 2002	9.735	1.280	15%
	5 Fidelity Series Global ex US Index Fund	Fidelity	Global Equity Large Cap	Sep 2009	17.922	1.185	7%
	6 T Rowe Price US Treasury Long-Term Index Fund	T. Rowe Price	US Fixed Income	Sep 1989	3.399	0.725	26%
Top ETF	1 Vanguard Total Stock Market ETF	Vanguard	US Equity Large Cap Blend	May 2001	163.505	3.768	2%
	2 Vanguard Total International Stock ETF	Vanguard	Global Equity Large Cap	Jan 2011	28.294	2.617	10%
	3 iShares ESG Aware MSCI USA ETF	BlackRock	US Equity Large Cap Blend	Dec 2016	10.461	1.885	21%
	4 Vanguard Total Bond Market ETF	Vanguard	US Fixed Income	Apr 2007	63.956	1.847	3%
	5 iShares 20+ Year Treasury Bond ETF	BlackRock	US Fixed Income	Jul 2002	19.466	1.521	8%
	6 Vanguard S&P 500 ETF	Vanguard	US Equity Large Cap Blend	Sep 2010	157.704	1.515	1%
	Fund name	Group	Sector	Style	AUM, \$m		
Top Launches	1 Invesco NASDAQ 100 ETF	Invesco	US Equity Large Cap Blend	ETF	275		
	2 Aperture International Equity Fund	Aperture / Generali	Global Equity Large Cap	Active	214		
	3 Invesco NASDAQ Next Gen 100 ETF	Invesco	US Equity Large Cap Growth	ETF	119		
	4 AXS Sustainable Income Fund	AXS Investments LLC	US Fixed Income	Active	50		
	5 LeaderShares AlphaFactor Tactical Focused ETF	Redwood IM	US Equity Large Cap Blend	Active	39		
	6 LeaderShares Activist Leaders ETF	Redwood IM	US Equity Large Cap Blend	Active	36		

THIS REPORT WAS BUILT WITH GLOBAL MARKET INTELLIGENCE

GMI FUNDS

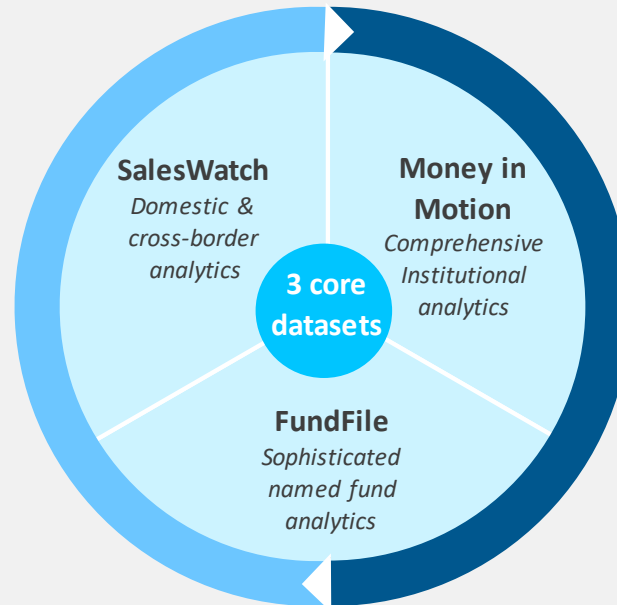
Detailed Domestic and Cross-Border Fund Market Intelligence across retail & institutional channels

- 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

EMEA

APAC

Comprehensive Analytics

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