

# THOMSON REUTERS LIPPER

## EUROPEAN ETF MARKET REPORT: November 2017

Please attribute the content to Detlef Glow, Thomson Reuters Lipper's head of EMEA research and the author of this report.



THOMSON REUTERS™

## EXECUTIVE SUMMARY

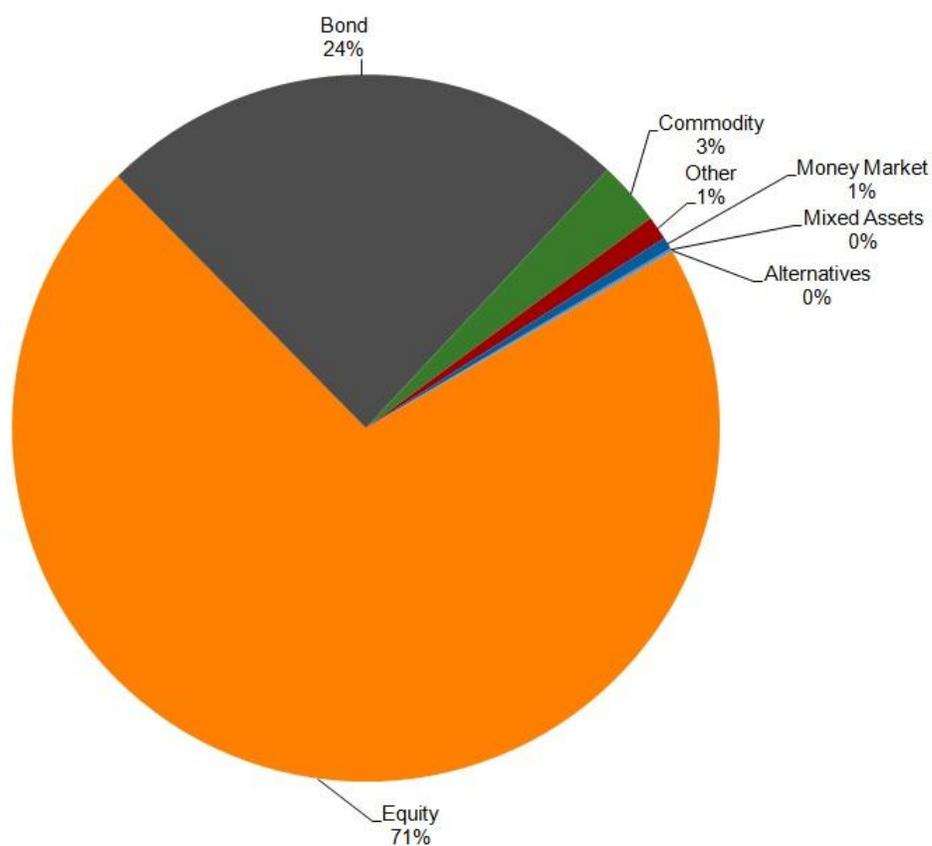
- The promoters of ETFs enjoyed net inflows (+€9.5 bn) for November. These flows were above the flows for October and the rolling 12-month average of €7.4 bn.
- The overall net inflows into ETFs in Europe stood at €84.4 bn for the year 2017 so far.
- The assets under management in the European ETF industry (€627.1 bn) increased for November, up from €621.9 bn at the end of October.
- Equity ETFs (+€6.7 bn) posted the highest net inflows of the European ETF industry for November.
- The best selling Lipper global classification for November was Equity US (+€2.2 bn), followed by Equity Global (+€1.5 bn) and Bond USD Corporates (+€1.2 bn).
- **iShares** was the best selling ETF promoter in Europe for November (+€2.3 bn), ahead of **Xtrackers** (+€1.3 bn) and **Amundi ETF** (+€1.3 bn).
- The ten best selling funds gathered total net inflows of €4.0 bn for November.
- The best selling ETF for November, **iShares \$ Short Duration Corp Bond UCITS ETF USD**, accounted for net inflows of €0.6 bn or 5.83% of the overall net inflows.



## REVIEW OF THE EUROPEAN ETF MARKET, NOVEMBER 2017

The promoters of ETFs enjoyed net inflows for November. The assets under management in the European ETF industry (€627.1 bn) increased for November, up from €621.9 bn at the end of October. The increase of €5.2 bn for November was driven by net sales (+€9.5 bn), while the performance of the underlying markets contributed a negative €4.3 bn to the assets under management in the ETF segment. With regard to the overall number of products, it was not surprising that equity funds (€445.0 bn) held the majority of the assets, followed by bond funds (€152.6 bn), commodity products (€18.3 bn), “other” funds (€6.9 bn), money market funds (€3.3 bn), mixed-asset funds (€0.6 bn), and alternative UCITS products (€0.4 bn).

Graph 1: Market Share, Assets Under Management in the European ETF Segment by Asset Type, November 30, 2017



Source: Thomson Reuters Lipper



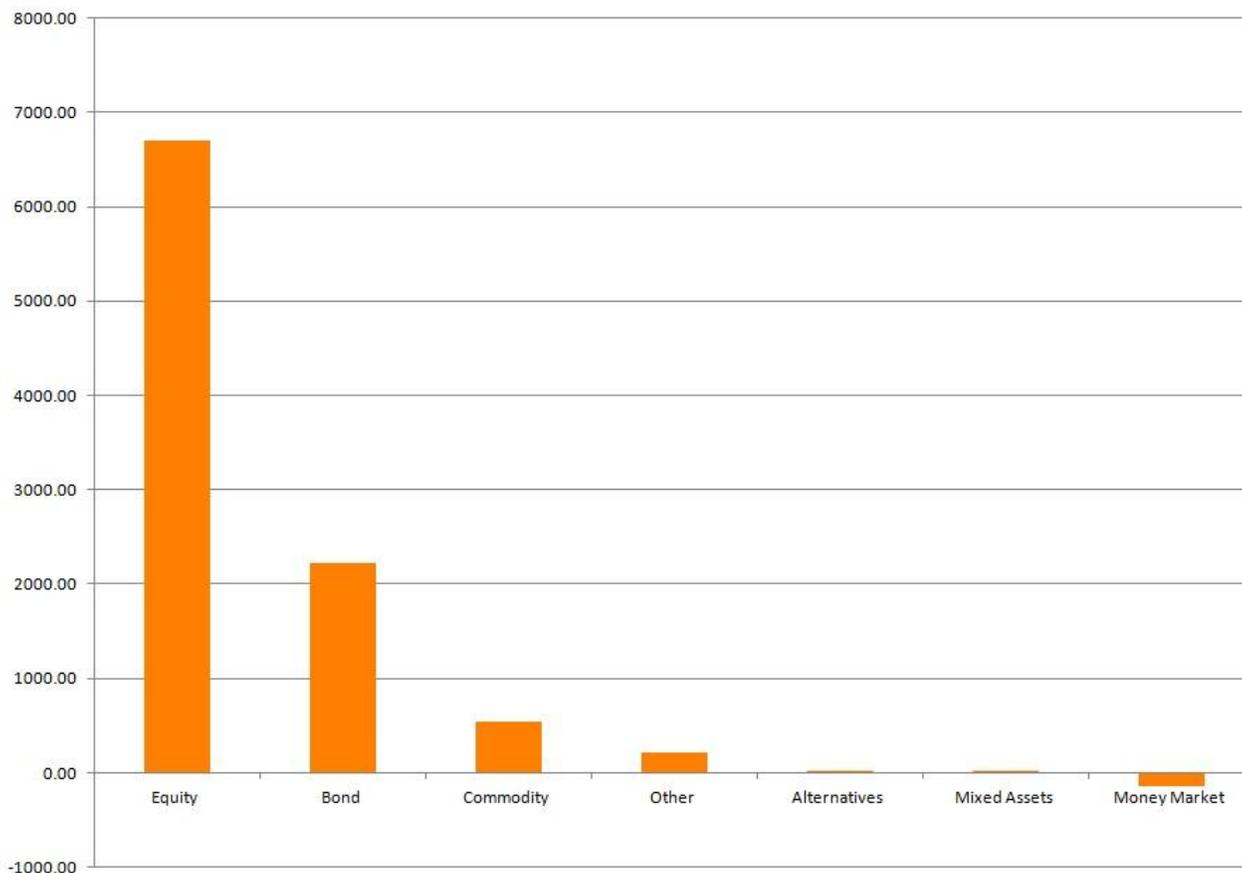
THOMSON REUTERS™

### Fund Flows by Asset Type

Equity ETFs (+€6.7 bn) posted the highest net inflows of the European ETF industry for November, followed by bond ETFs (+€2.2 bn), commodity ETFs (+€0.5 bn), “other” ETFs (+€0.2 bn), and alternative UCITS ETFs (+€0.01 bn) as well as mixed-asset ETFs (+€0.001 bn), while money market ETFs (-€0.15 bn), posted net outflows.

This flow pattern drove the overall net flows up to €84.4 bn for the year 2017 so far.

Graph 2: Estimated Net Sales, November 2017 (Euro Millions)



Source: Thomson Reuters Lipper

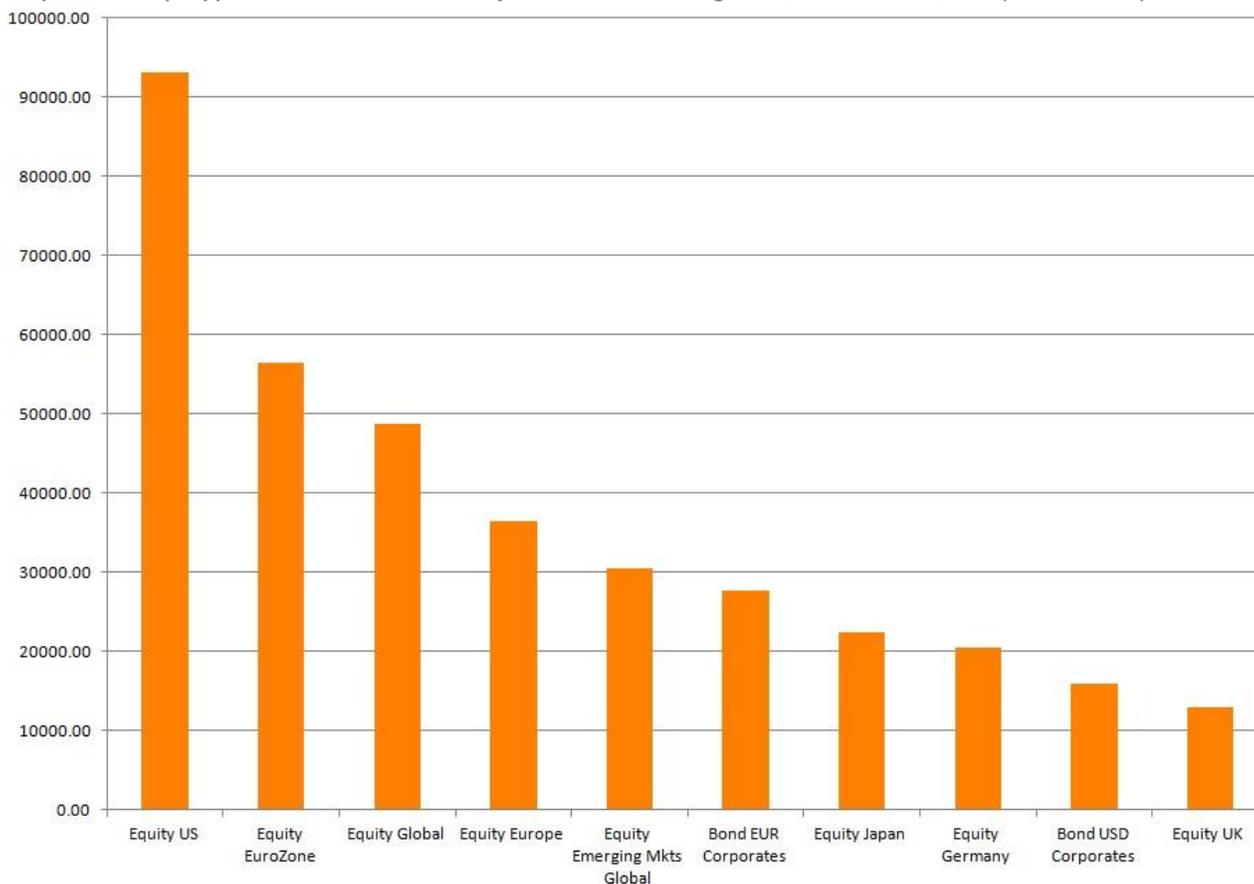


THOMSON REUTERS™

### Assets Under Management by Lipper Global Classifications

With regard to the Lipper global classifications, the European ETF market was split into 157 different peer groups. The highest assets under management at the end of November were held by funds classified as Equity US (€96.3 bn), followed by Equity Eurozone (€55.4 bn), Equity Global (€50.3 bn), and Equity Europe (€36.6 bn) as well as Equity Emerging Markets Global (€30.5 bn). These five peer groups accounted for 42.92% of the overall assets under management in the European ETF segment, while the ten top classifications by assets under management accounted for 59.11%. Overall, 21 of the 157 peer groups each accounted for more than 1% of the assets under management. In total, these 21 peer groups accounted for €463.5 bn or 73.92% of the overall assets under management. In addition, it is noteworthy that the ranking of the largest peer groups was quite stable, indicating that European investors use the funds from these peer groups as core holdings and not just as so-called satellites that are bought and sold quite frequently to implement asset allocation views in the investors' portfolios. These numbers show that the assets under management in the European ETF industry continued to be highly concentrated.

Graph 3: Ten Top Lipper Global Classifications by Assets Under Management, November 30, 2017 (Euro Millions)



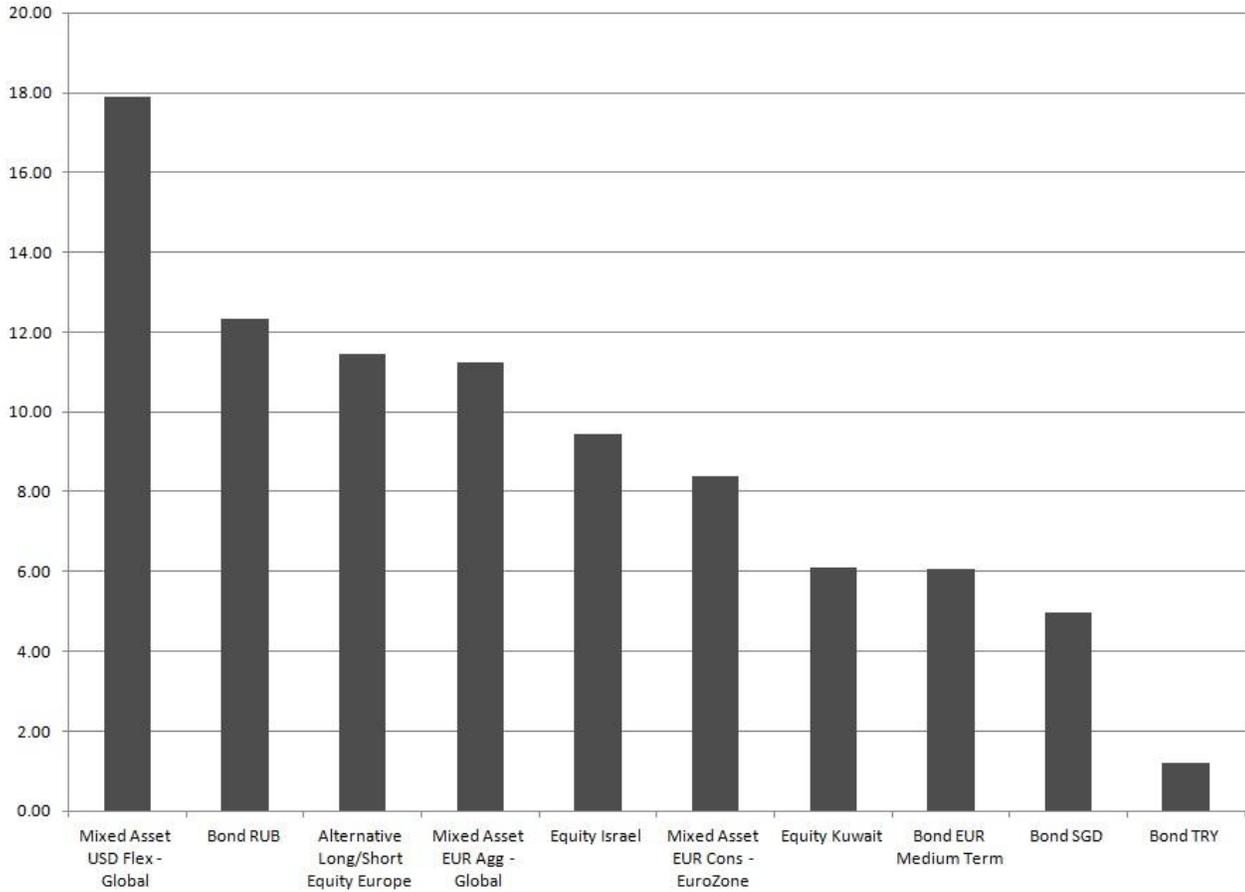
Source: Thomson Reuters Lipper

The peer groups on the other side of the table showed that some funds in the European ETF market are quite low in assets and may risk being closed in the near future. They are obviously lacking investor interest and might therefore not be profitable for the respective fund promoters (Please read our report: [“Is there a consolidation ahead in the European ETF industry”](#) for more details on this topic.)



THOMSON REUTERS™

Graph 4: Ten Smallest Lipper Global Classifications by Assets Under Management, November 30, 2017 (Euro Millions)



Source: Thomson Reuters Lipper



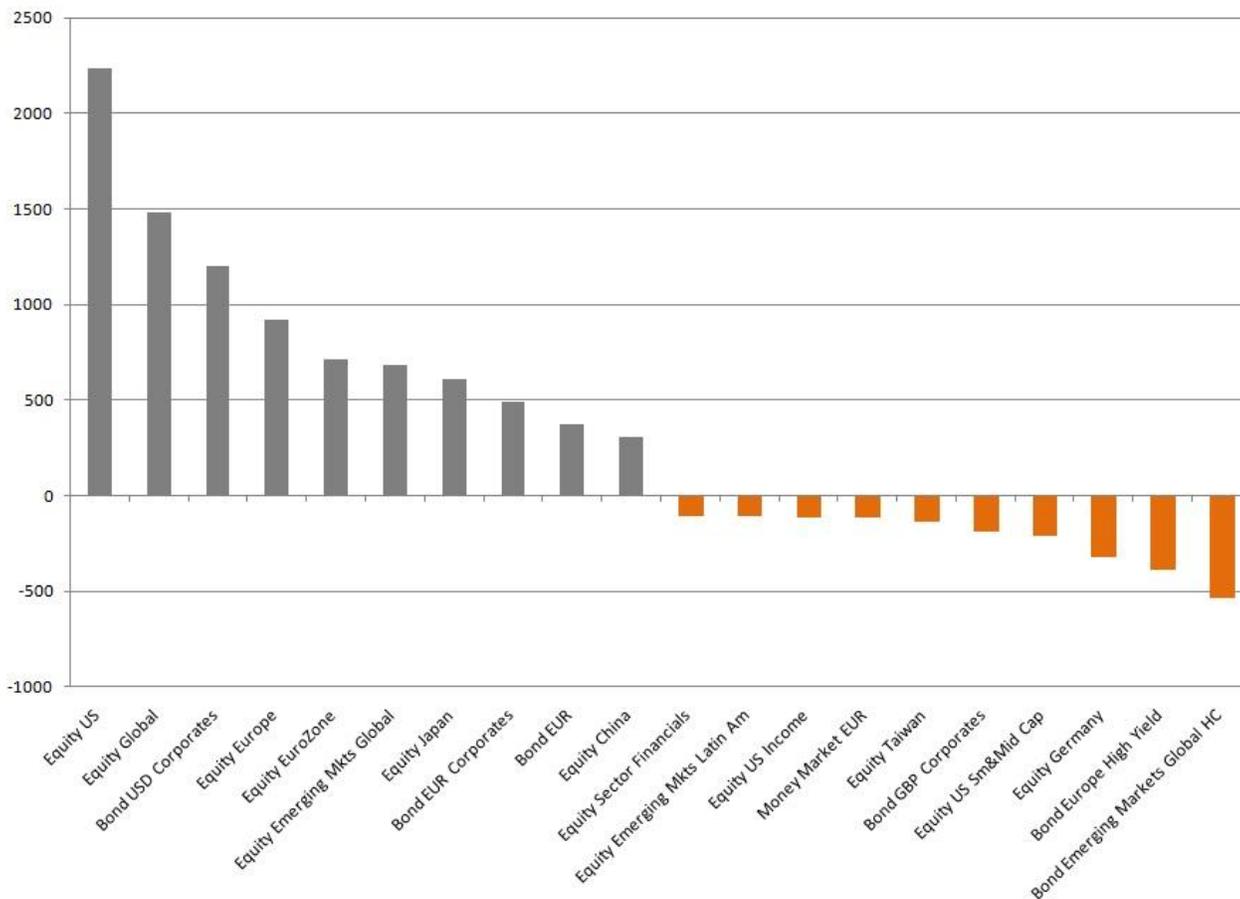
THOMSON REUTERS™

### Fund Flows by Lipper Global Classifications

With regard to the overall sales for November, it was not surprising that the ten best selling peer groups were dominated by equity funds, since equity ETFs were once again investors' darlings for the month. The best selling Lipper global classification for November was Equity US (+€2.2 bn), followed by Equity Global (+€1.5 bn) and Bond USD Corporates (+€1.2 bn).

The inflows of the ten best selling Lipper classifications equalled to 94.54% of the overall net inflows. These numbers showed that the European ETF segment is also highly concentrated with regard to fund flows by sectors. Generally speaking, one would expect the flows into ETFs to be concentrated, since investors often use ETFs to implement their market views and short-term asset allocation decisions; these products are made for and therefore are easy to use for these purposes.

Graph 5: Ten Best and Worst Selling Lipper Global Classifications by Estimated Net Sales, November 2017 (Euro Millions)



Source: Thomson Reuters Lipper

On the other side of the table the ten peer groups with the highest net outflows for November accounted for €2.1 bn of outflows. Bond Emerging Markets Global in Hard Currencies (-€0.5 bn) faced the highest net outflows, bettered somewhat by Bond Europe High Yield (-€0.4 bn) and Equity Germany (-€0.3 bn).

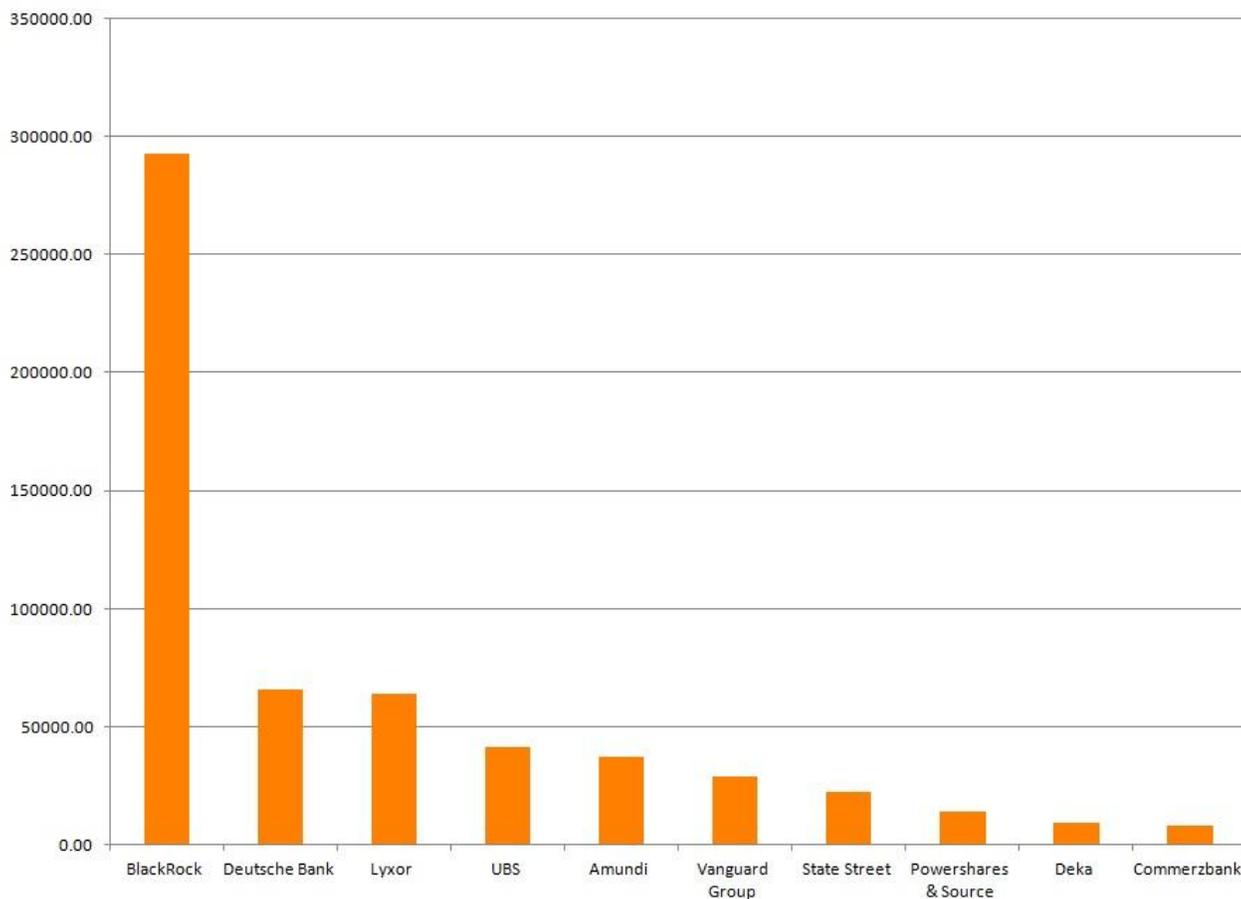


THOMSON REUTERS™

### Assets Under Management by Promoters

A closer look at the assets under management in the European ETF industry by promoters also showed high concentration, since only 19 of the 49 ETF promoters in Europe held assets at or above €1.0 bn each. The largest ETF promoter in Europe—**iShares** (€292.4 bn)—accounted for 46.64% of the overall assets under management, far ahead of the number-two promoter—**Xtrackers** (€65.9 bn)—and the number-three promoter—**Lyxor ETF** (€64.0 bn). (To learn more about the concentration of the European ETF market at the promoter level, please read our report: [Facts about the concentration in the European ETF industry.](#))

Graph 6: Ten Top ETF Promoters by Assets Under Management, November 30, 2017 (Euro Millions)



Source: Thomson Reuters Lipper

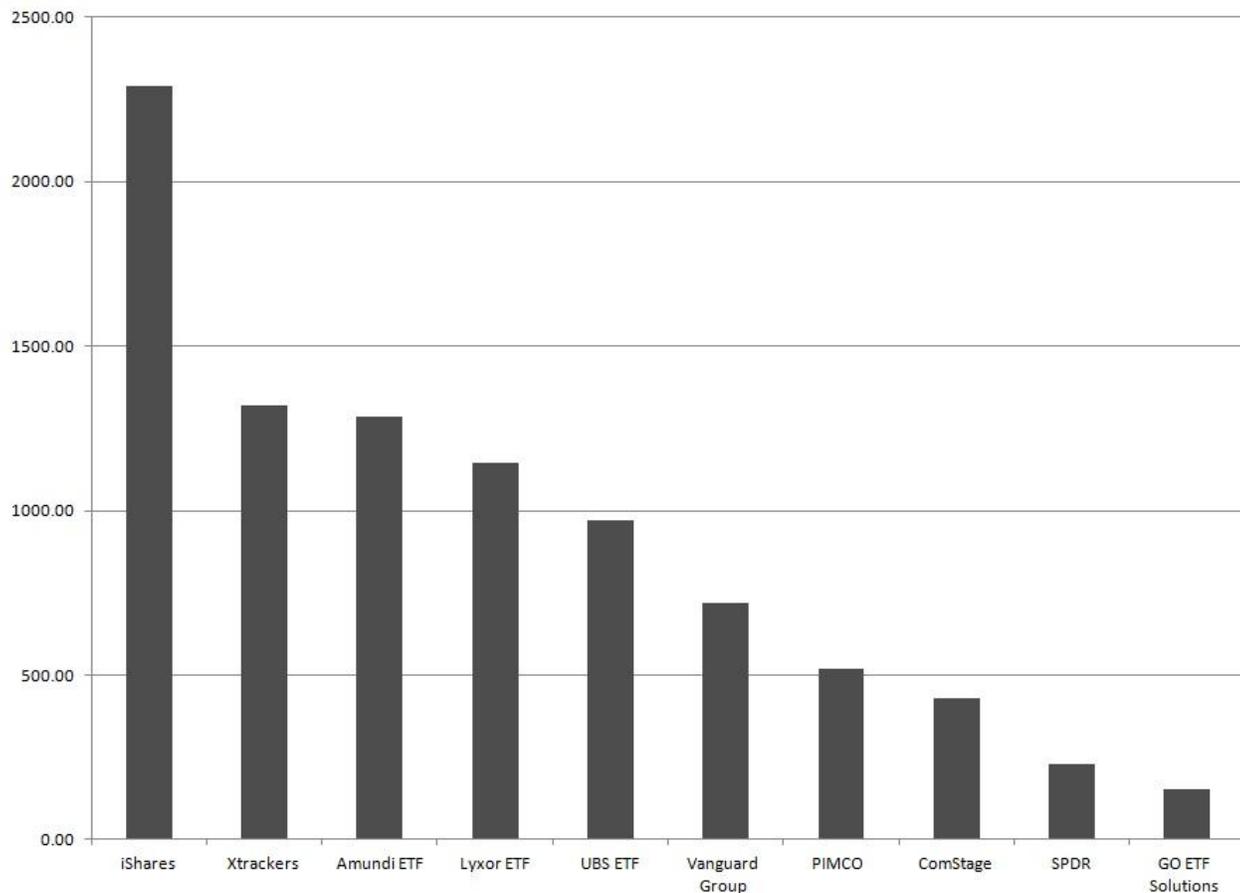
The ten top promoters accounted for 93.17% of the overall assets under management in the European ETF industry. This meant in turn that the other 39 fund promoters registering at least one ETF for sale in Europe accounted for only 6.83% of the overall assets under management.



### Fund Flows by Promoters

Since the European ETF market is highly concentrated, it was not surprising that eight of the ten largest promoters by assets under management were among the ten top-selling ETF promoters for November. Europe's largest ETF promoter—**iShares**—was still the best selling ETF promoter in Europe for November (+€2.3 bn), ahead of **Xtrackers** (+€1.3 bn) and **Amundi ETF** (+€1.3 bn).

Graph 7: Ten Best Selling ETF Promoters, November 2017 (Euro Millions)



Source: Thomson Reuters Lipper

Since the flows of the ten top promoters accounted for 95.00% of the overall estimated net flows into ETFs in Europe for November, it was clear that some of the 49 promoters (9) faced net outflows (-€0.06 bn in total) over the course of November.

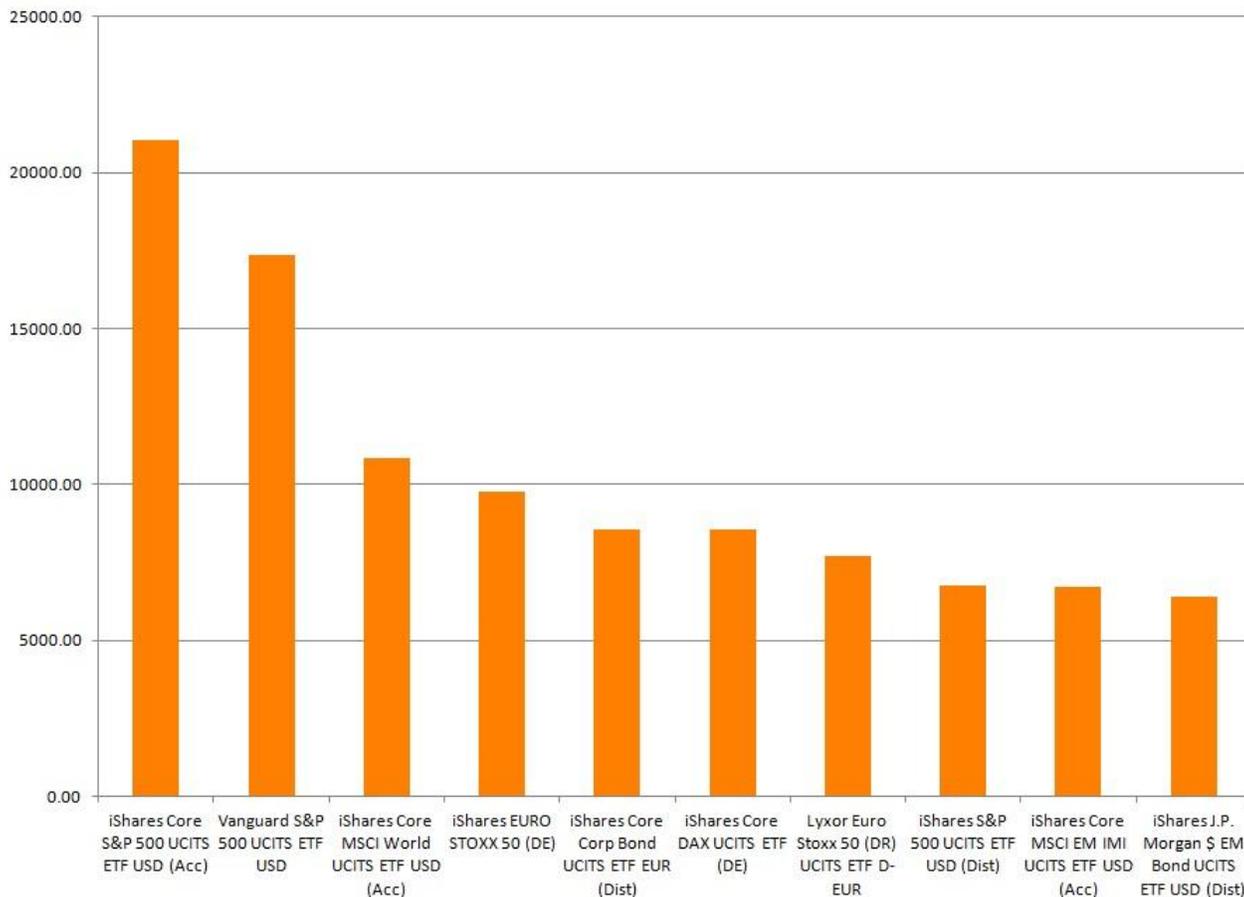


THOMSON REUTERS™

### Assets Under Management by Funds

There were 2,332 instruments (primary funds and convenience share classes) listed as ETFs in the Lipper database at the end of November. With regard to the overall market pattern, it was not surprising that the assets under management at the ETF level were also highly concentrated. Only 142 of the 2,332 instruments held assets above €1.0 bn each. These products accounted for €376.8 bn or 60.08% of the overall assets in the European ETF industry. The ten largest ETFs in Europe accounted for €103.7 bn or 16.54% of the overall assets under management. (Please read our study: [Is the European ETF industry dominated by only a few funds?](#) to learn more about the concentration at the single-fund level in the European ETF industry.)

Graph 8: Ten Largest ETFs by Assets Under Management, November 30, 2017 (Euro Millions)



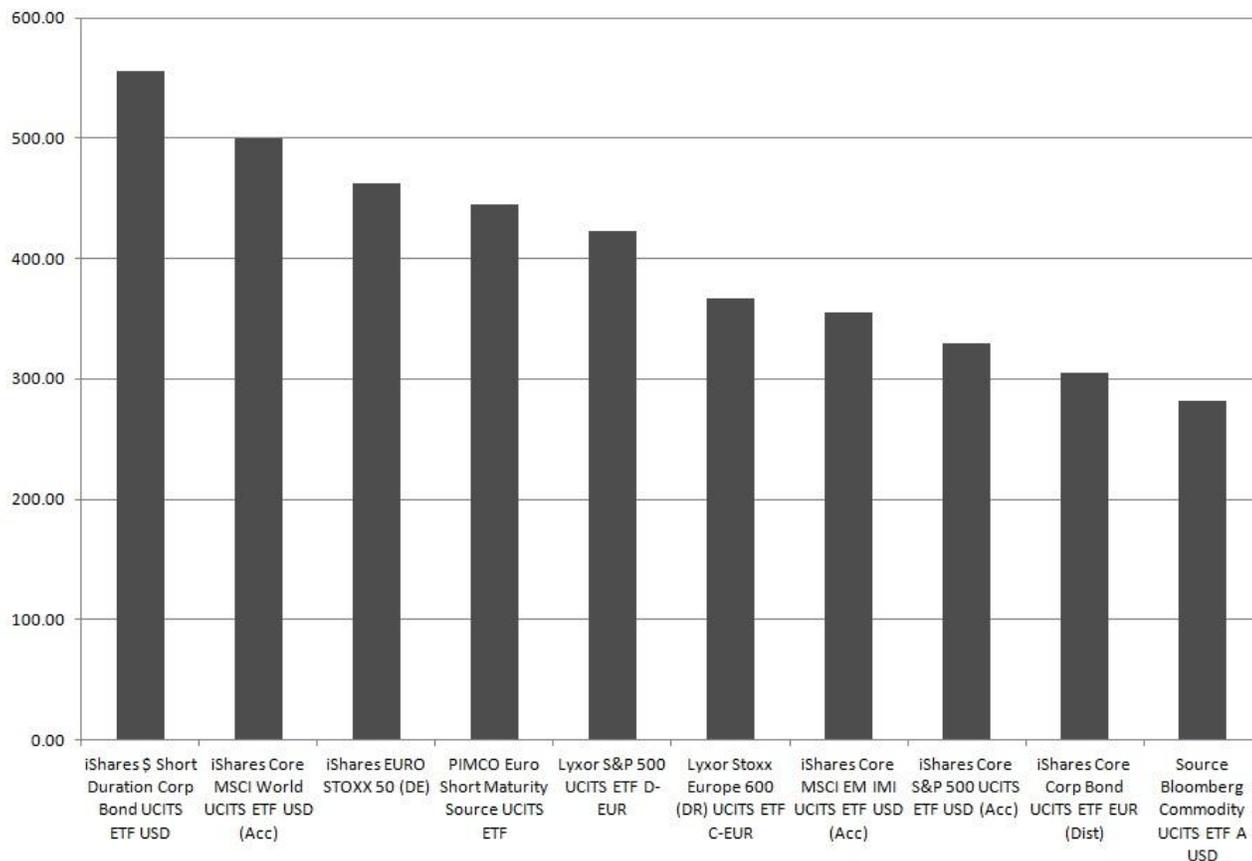
Source: Thomson Reuters Lipper



## ETF Flows by Funds

A total of 728 of the 2,332 instruments analyzed in this report showed net inflows of more than €10,000 each for November, accounting for €18.4 bn or 193.10% of the overall net flows. This meant in turn that the other 1,604 instruments faced no flows or net outflows for the month. In more detail only 45 of the 728 ETFs posting net inflows enjoyed inflows of more than €100 m each during November, summing to €9.7 bn. The best selling ETF for November, **iShares \$ Short Duration Corp Bond UCITS ETF USD**, accounted for net inflows of €0.6 bn or 5.83% of the overall net inflows; it was followed by **iShares Core MSCI World UCITS ETF USD (Acc)** (+€0.5 bn) and **iShares EURO STOXX 50 (DE) ETF** (+€0.5 bn).

Graph 9: Ten Best Selling ETFs, November 2017 (Euro Millions)



Source: Thomson Reuters Lipper

The flow pattern at the fund level indicated that there was a lot of turnover and rotation during November, but it also showed the concentration of the European ETF industry even better than the statistics at the promoter or classification level. Nevertheless, six of the ten best selling funds for November were promoted by **iShares**; these accounted for total net inflows of €2.5 bn or 26.29% of the net inflows into the European ETF segment.



THOMSON REUTERS™

For more information, please contact our Thomson Reuters Lipper Research Team.

**Detlef Glow**

Head of Lipper EMEA Research  
Phone: +49(69) 75651318  
detlef.glow@thomsonreuters.com

**Robert Jenkins**

Global Head of Research, Lipper  
Phone: +1 (617) 856-1209  
robert.jenkins@thomsonreuters.com

**Xav Feng**

Head of Lipper Asia Pacific Research  
Phone: +886 935577847  
xav.feng@thomsonreuters.com

**Jake Moeller**

Head of Lipper United Kingdom & Ireland  
Research  
Phone: +44(20) 75423218  
jake.moeller@thomsonreuters.com

**Otto Christian Kober**

Global Head of Methodology, Lipper  
Phone: +41 (0)58 306 7594  
otto.kober@thomsonreuters.com

**Tom Roseen**

Head of Research Services  
Phone: +1 (303) 357-0556  
tom.roseen@thomsonreuters.com

**Media enquiries:**

Eddie Dunthorne  
Eddie.dunthorne@thomsonreuters.com

**Lipper U.S. Client Services**

+1 877 955 4773  
customers.reuters.com/cimcontactus/support.asp

**Lipper Europe Client Services**

(UK) 0845 600 6777  
(Europe) +44207 542 8033  
customers.reuters.com/cimcontactus/support.asp

**Lipper Asia Client Services**

+886 2 2500 4806  
customers.reuters.com/cimcontactus/support.asp

**lipperalpha.com**

© 2017 Thomson Reuters. All rights reserved. Republication or redistribution of Thomson Reuters content, including by framing or similar means, is prohibited without the prior written consent of Thomson Reuters. 'Thomson Reuters' and the Thomson Reuters logo are registered trademarks and trademarks of Thomson Reuters and its affiliated companies.



**THOMSON REUTERS™**