

Informed Investor: Money Monitor

A look back at European ETF market flows last month

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November 2019
Lyxor ETF Research



**Marlene
Hassine Konqui**
Head of ETF Research

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ETF Flows: back on track

November was European ETFs' third-best month over the last year, as the market gathered €14.6bn. Taken together with the strong results of September and October, it forms simply the best three-month period on record. The inflows were predominantly driven by equity (+€8.0bn) and fixed income (+€2.7bn).

Flows into commodities continued to grow modestly (€+234 mn) and smart beta ETFs enjoyed their strongest month in this calendar year (€+1.7 bn).

Meanwhile, ESG ETFs keep breaking all records: monthly inflows of €1.9bn took their total for the year to €13.6bn.

What happened last month?

- ▶ Record month for ESG flows
- ▶ Best month for smart beta so far this year

 €14.6bn



Strong month for equities

€8.0bn



Fixed income flows steady

€2.7bn



Good month for commodities

€234m



Best month YtD for smart beta

€1.7bn



Record month for ESG ETFs

€1.9bn

How does the YTD picture look?

- ▶ European ETFs are enjoying a strong year so far, second best YTD flows on record
- ▶ Fixed income, smart beta and ESG lead the way

 €84.9bn



Equity ETFs are finally catching-up after mixed start

€15.7bn



Still the best year so far for fixed income

€45.7bn



Weak year so far for commodities

€1.1bn



Strong year so far for smart beta

€8.5bn



Record YTD flows for ESG

€13.6bn

Source: Monthly data in EURM from 01/01/2019 to 30/11/2019 Bloomberg, Lyxor International Asset Management.

Note: This report is based on the data available on 04/12/2019.

Asset and flow data may be slightly adjusted as additional data becomes available.

All categories are exclusive and sum up to the total market flows.

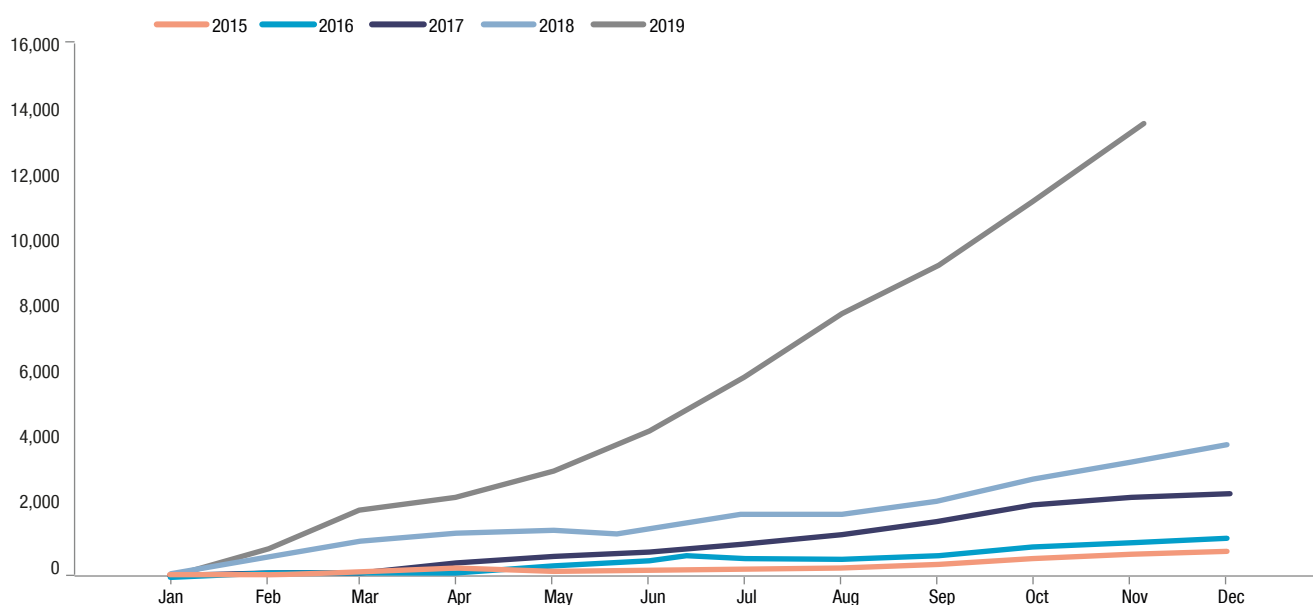
Special focus

Record flows into ESG Equities

2019 has been a very eventful year, with investors experiencing elevated volatility on all asset classes at various stages. One thing however has remained remarkably stable: the appetite for ESG investments. Regardless of the debates on how

to best define ESG and fears about the potential for “greenwashing”, these flows tell a story which very much fits with our own vision on this investment theme: this trend is both accelerating and very likely to stay.

Cumulated NNAs into ESG Equities (in € mn)



The Lyxor view

Lyxor expects active and passive flows into ESG funds in Europe to continue, supported by investors' changing preferences towards ESG integration and changes in regulation.

One key piece of regulation is the European Commission's action plan to finance sustainable growth, announced in March 2018. This will compel all investors to include ESG criteria in their

investment decisions, which has the potential to support ESG investments into the future.

Recent ESG flows seem to support our belief in a positive future for sustainable investing. We see ETFs and ESG as a natural fit and expects this segment of Europe's ETF market to continue growing.

Source: Lyxor ETF, Bloomberg data from 01/01/2015 to 30/11/2019

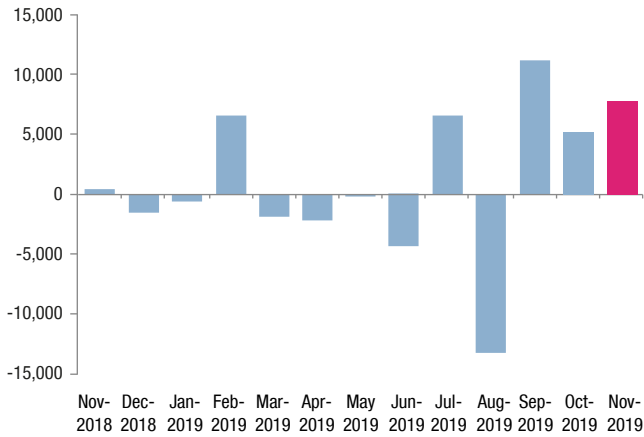
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Strong month for equities

€8.0bn

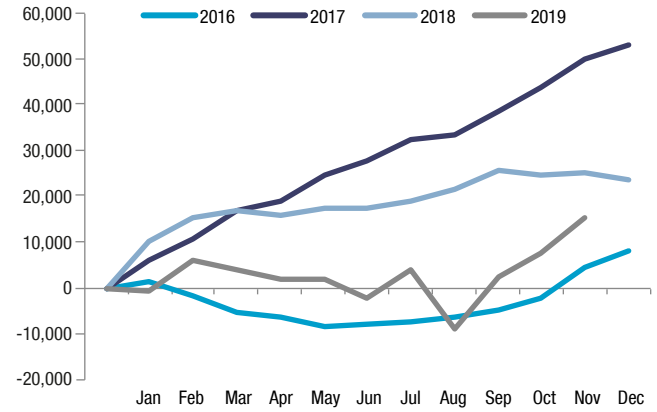
Three successive positive months for equities for the first time this year

Monthly NNA into equity ETFs

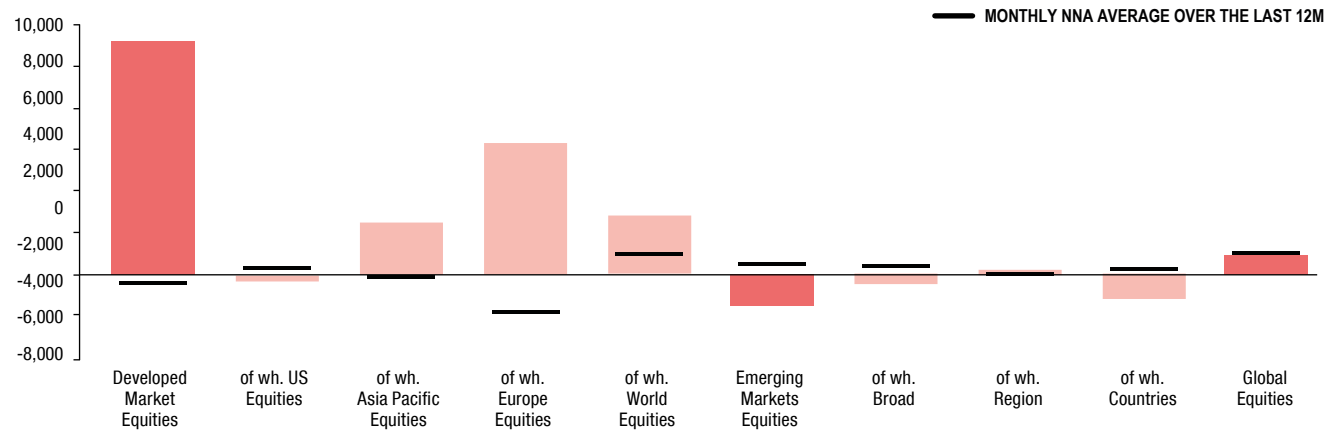


Equity ETF inflows are getting back on track

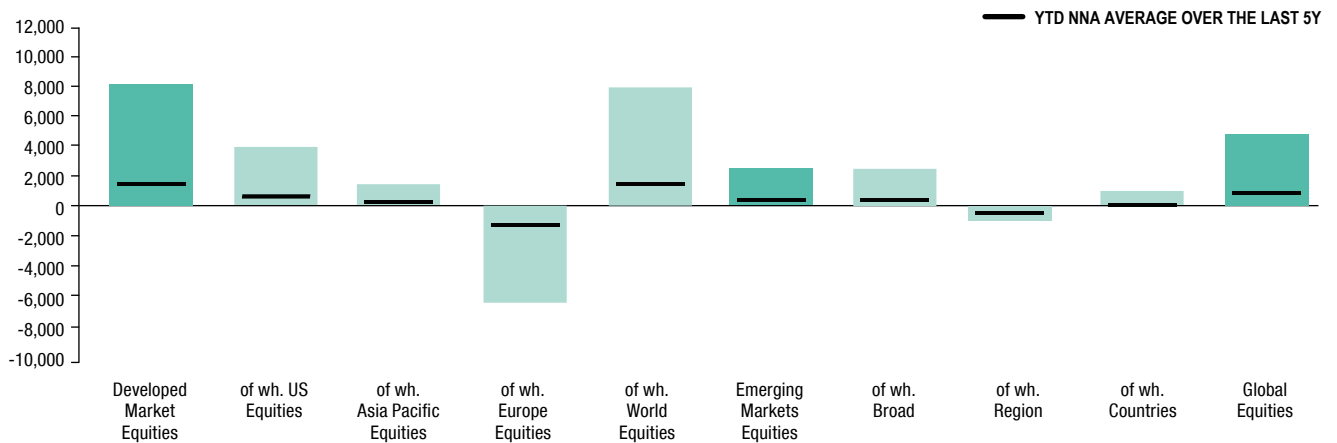
Cumulated monthly NNA into equity ETFs



Monthly YTD net inflows into equity ETFs in Europe



YTD net inflows into equity ETFs in Europe



Source: Monthly data from 01/01/2016 to 30/11/2019, Bloomberg, Lyxor International Asset Management.

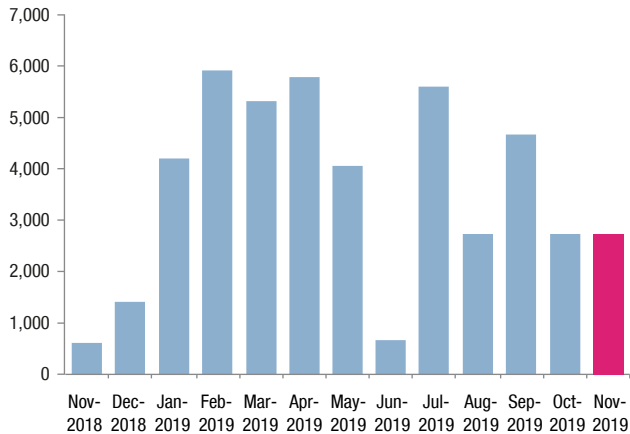
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Fixed income flows steady

€2.7bn

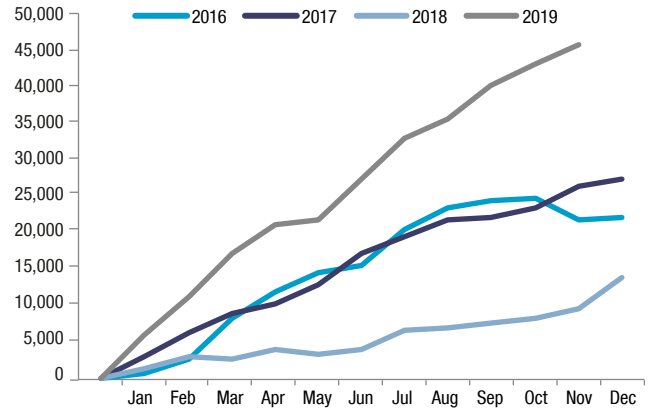
Steady flows into fixed income ETFs

Monthly NNA into fixed income ETFs

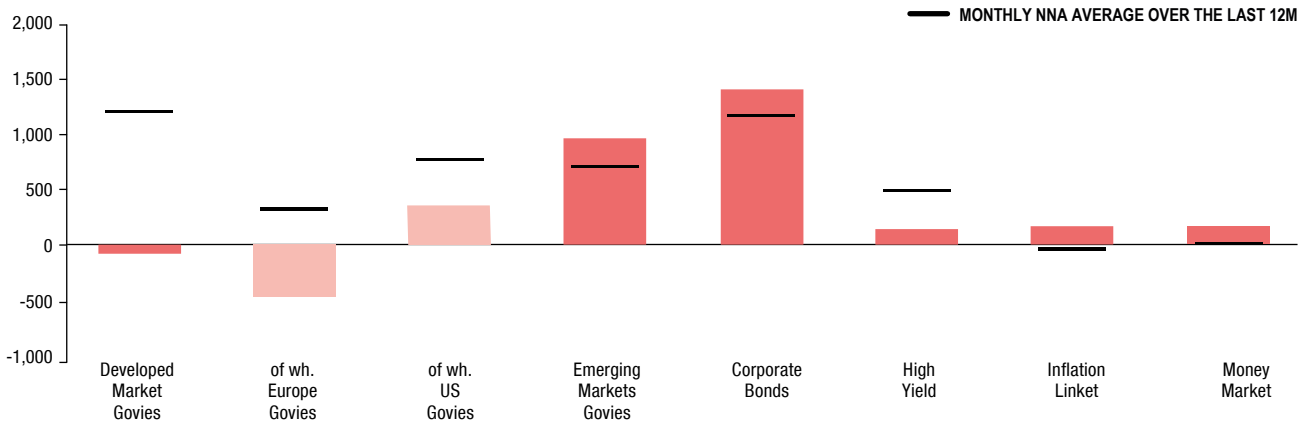


Best year so far for fixed income ETFs

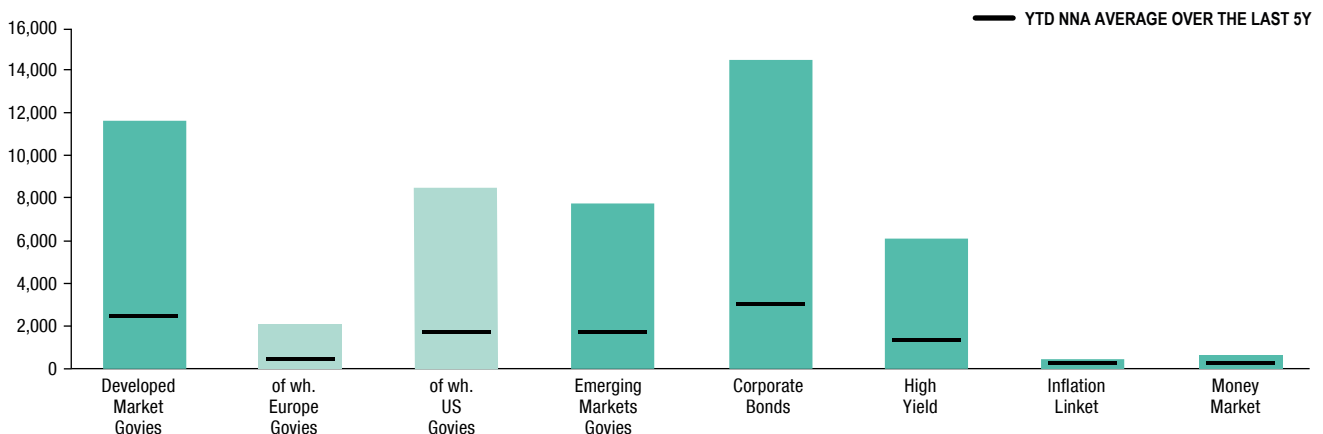
Cumulated monthly NNA on fixed income ETFs



Monthly net inflows on fixed income ETFs in Europe



YTD net inflows on fixed income ETFs



Source: Monthly data from 01/01/2016 to 30/11/2019, Bloomberg, Lyxor International Asset Management.

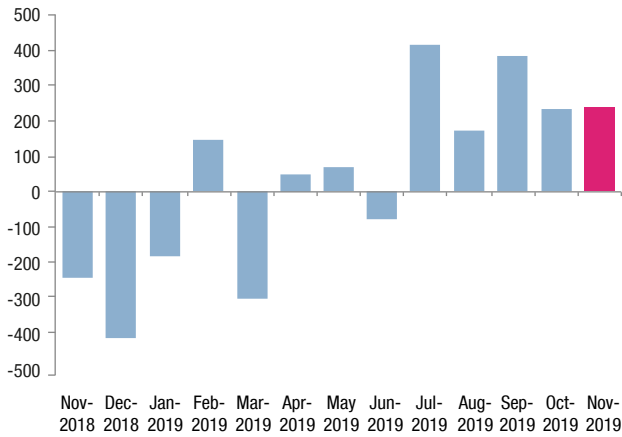
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Good month for commodities

↑ €234m

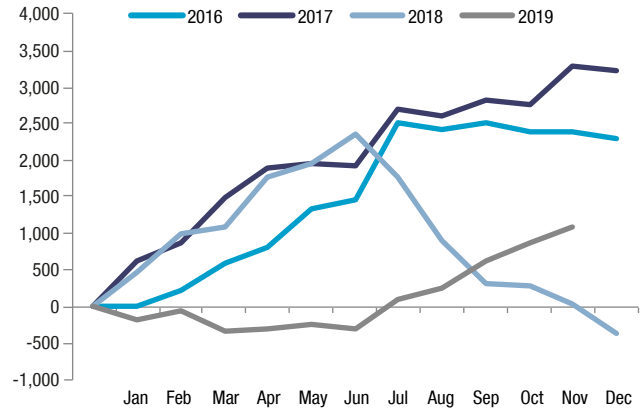
Flows into commodity ETFs have recovered

Monthly NNA into commodity ETFs

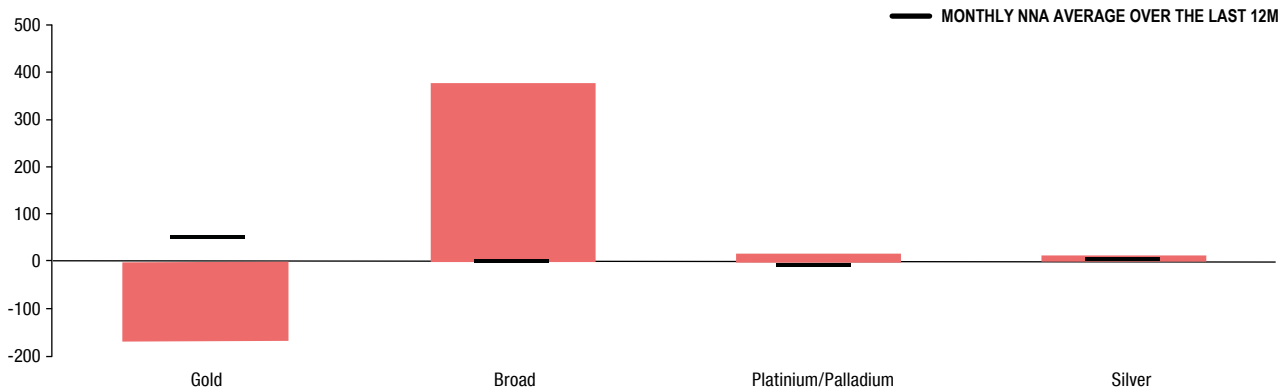


Flows into commodity ETFs continue

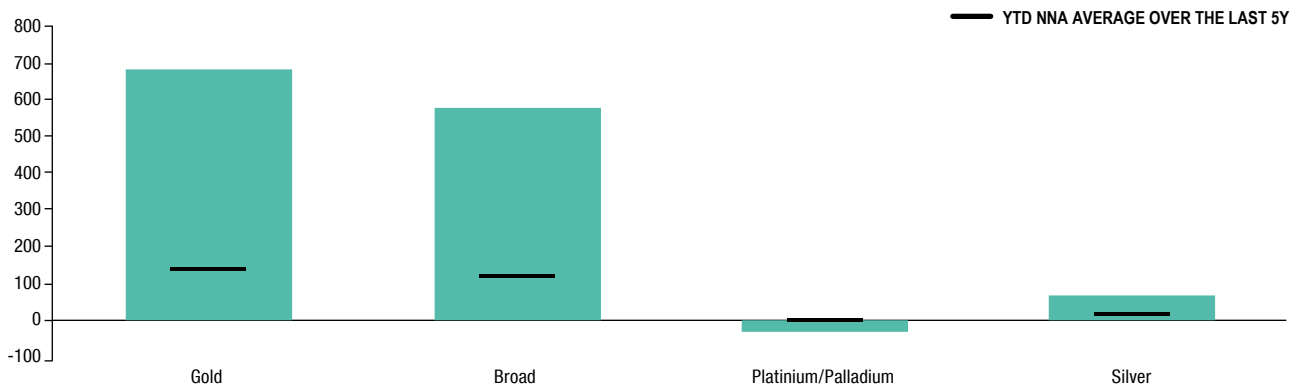
Cumulated monthly NNA on commodity ETFs



Monthly net inflows into commodity ETFs in Europe



YTD net inflows into commodity ETFs in Europe



Source: Monthly data from 01/01/2016 to 30/11/2019, Bloomberg, Lyxor International Asset Management.

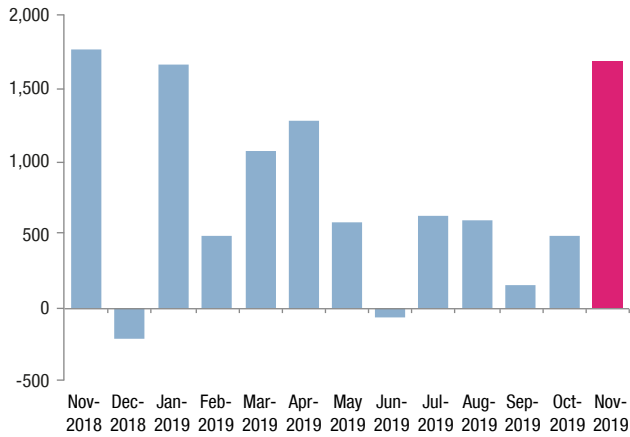
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Best month YtD for smart beta

↑ €1.7bn

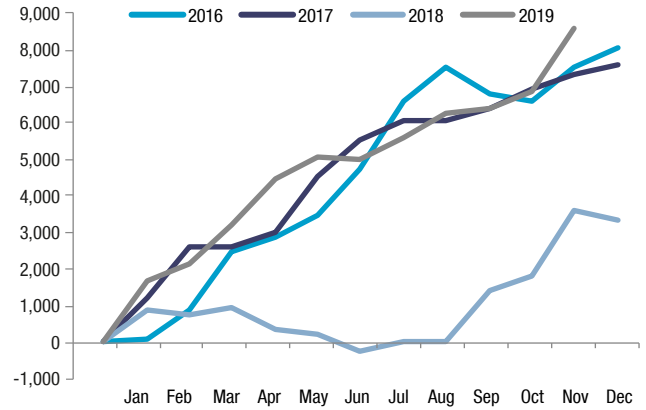
Slow, but steady flows into smart beta ETFs

Monthly NNA into smart beta ETFs

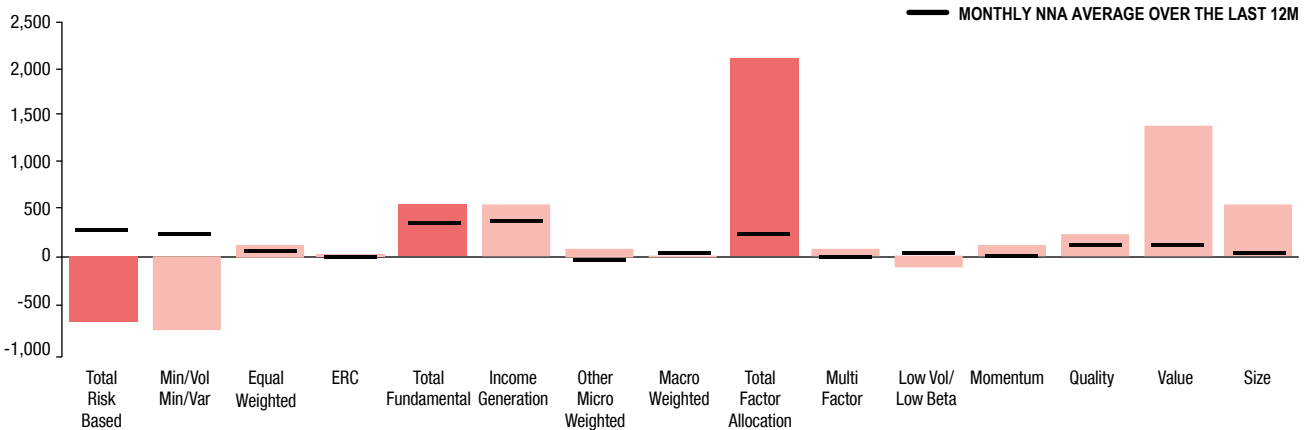


Smart beta ETFs flows are on track for a record year

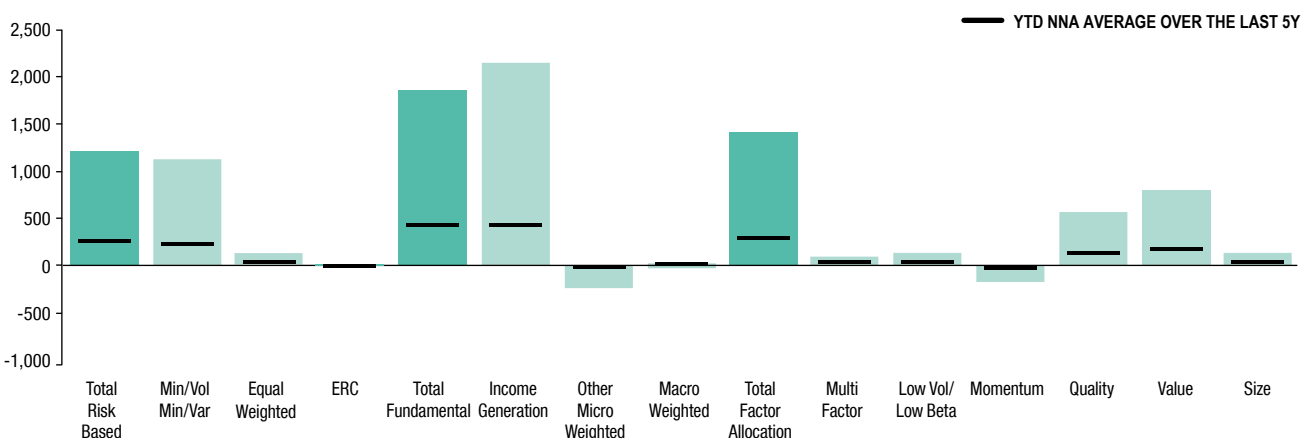
Cumulated monthly NNA into smart beta ETFs



Monthly net inflows into smart beta ETFs in Europe



YTD net inflows into smart beta ETFs in Europe



Source: Monthly data from 01/01/2016 to 30/11/2019, Bloomberg, Lyxor International Asset Management.

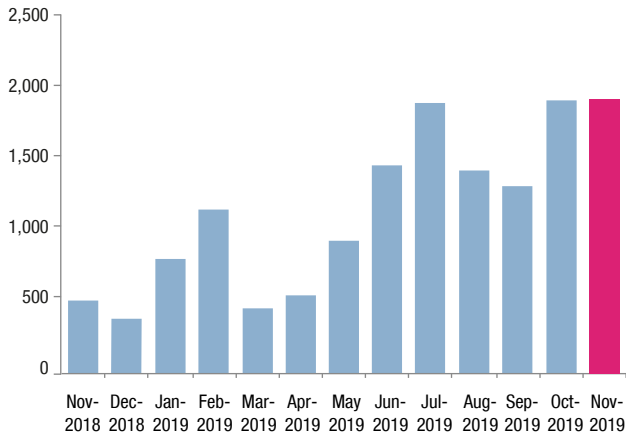
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Record month for ESG ETFs

€1.9bn

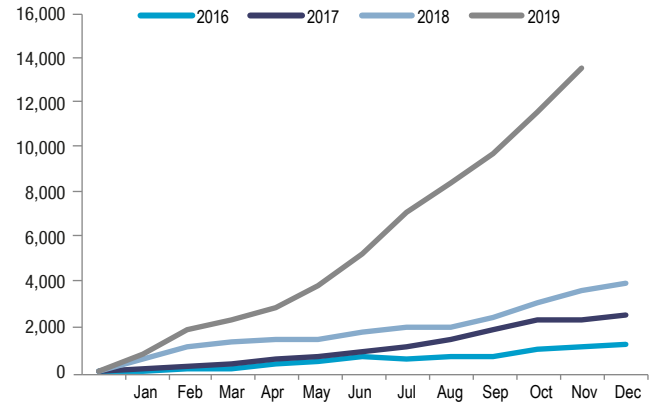
A new record month for ESG ETFs

Monthly NNA into ESG ETFs

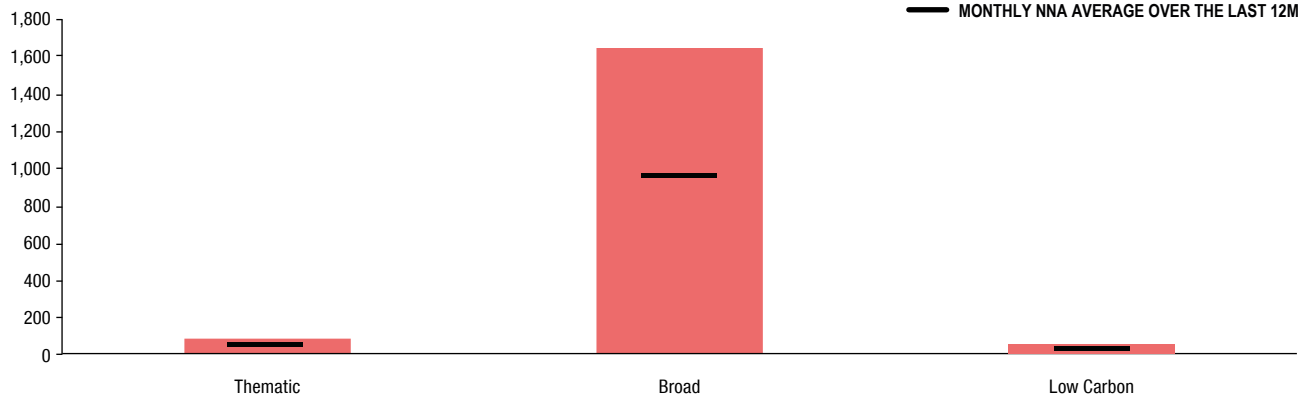


Flows into ESG ETFs are unprecedented

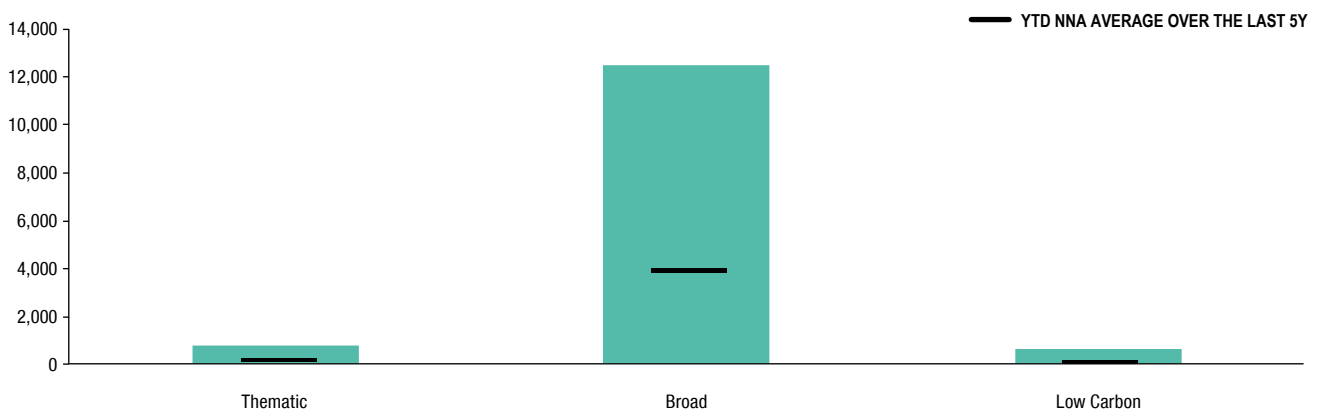
Cumulated monthly NNA into ESG ETFs



Monthly net inflows into ESG ETFs in Europe



YTD net inflows into ESG ETFs in Europe



Source: Monthly data from 01/01/2016 to 30/11/2019, Bloomberg, Lyxor International Asset Management.

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Check out our quarterly and annual reports, they dive deeper into the numbers that matter, and help to tell the story of what might have driven these results.

Check out the Alpha/Beta Allocator Q2 2019

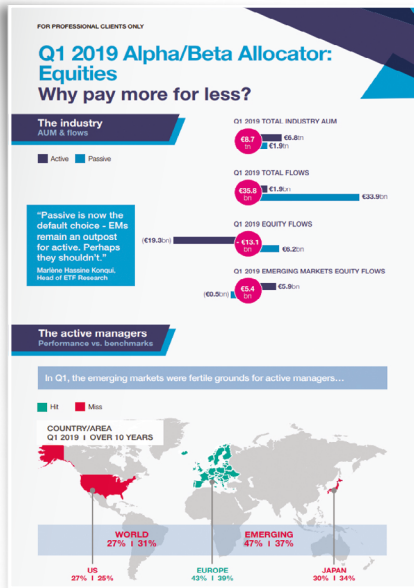
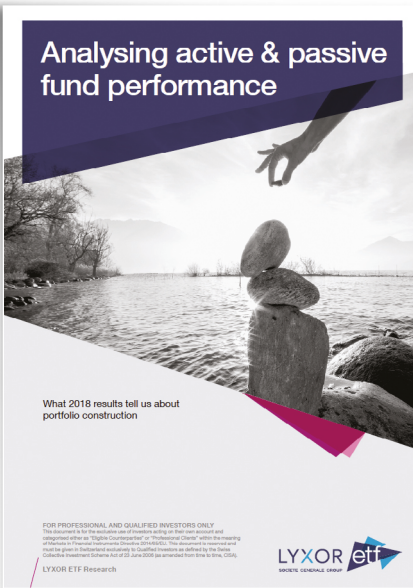
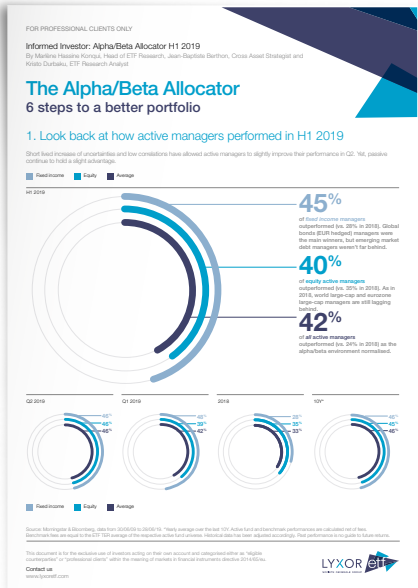
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Contact us

ETF.Research@Lyxor.com | +33 (0)1 42 13 59 56

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