Amundi ASSET MANAGEMENT | ETF

# ETF Market Flows Analysis

*data as of end September 2021*

## YTD Overview

For the first nine months of the year global exchange-traded funds (ETFs) in-flows were €803bn with the US accounting for almost 80% of assets at €638.5bn. Europe contributed 16% with flows of €126bn while Asian flows of €38.3bn made up 5%.

Equities were the most popular asset class, accounting for almost three-quarters of all flows, at €595bn. This maintained the trend seen for the first six month where this asset also accounted for around 75% of all flows. Investors allocated €202bn to global fixed income ETFs, equivalent to a quarter of all flows, which once again maintained the trend seen at six months. Investors favored government bonds over corporate bonds.

## European Flows YTD highlights

### Equities

**European-registered equity ETFs gained €92.3bn for the first nine months of the year. Trends seen at six months were maintained with world indices remaining the most popular gaining in-flows of €44.4bn and North American indices the second most popular at €25.7bn. Investors allocated €7.9 to global emerging market indices.**

The shift away from traditional equity indices towards those with a tilt towards environmental, social and governance (ESG) characteristics continued with these products gaining €44.1bn for the first nine months of the year. The most popular ESG products were North American indices which gained €16.5bn, world indices adding €14bn and global emerging markets, notching up €4.4bn.

In other words, 64% of the allocation to North American indices for the first nine months of the year went to ESG products while world ESG indices accounted for 31% of its total and emerging market ESG benchmarks made up 55% of the allocation to this region.

While year-to-date allocations to value strategy were robust at €6.7bn, this masks an acceleration in fund outflows from this product in September. Investors withdrew €888m from this strategy in the last month.

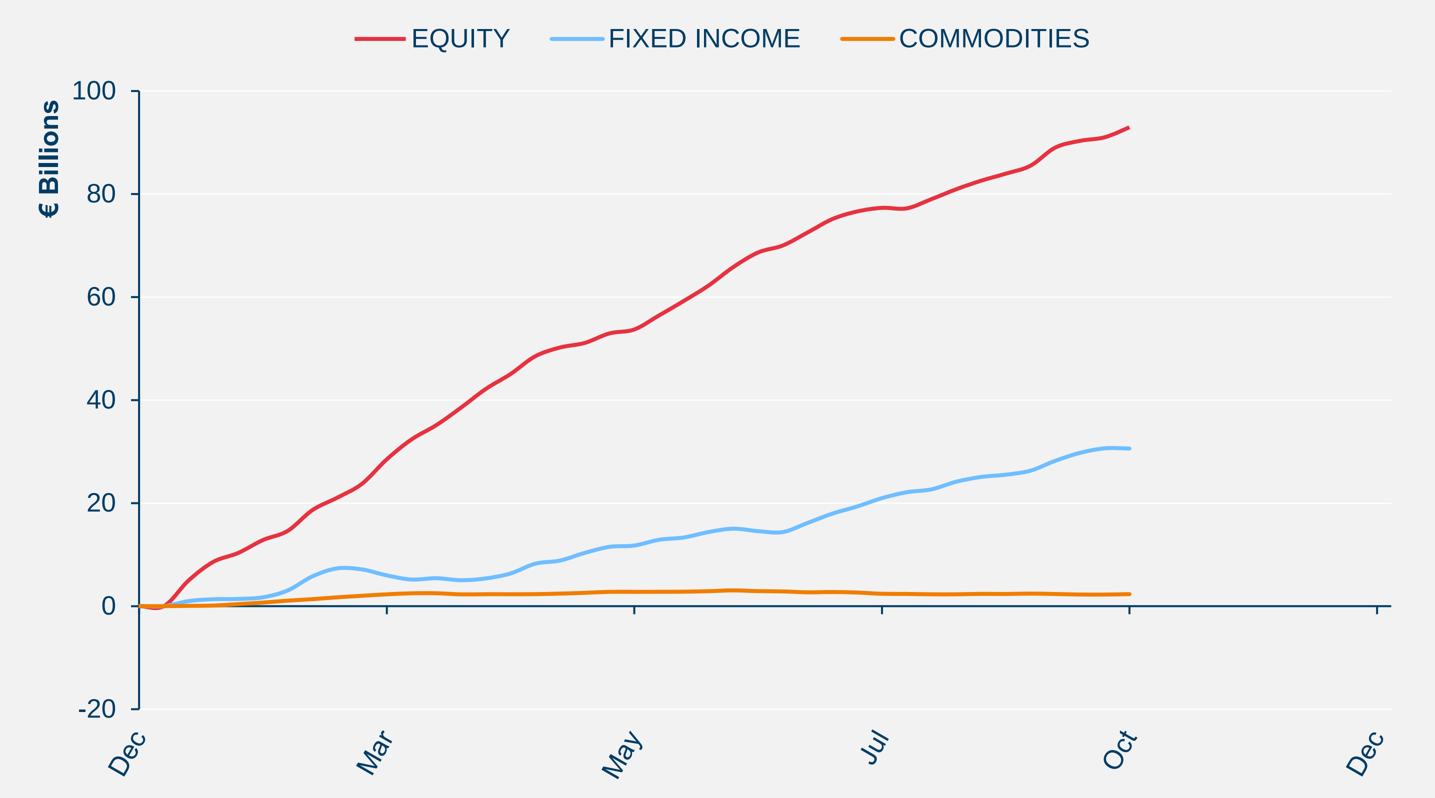
### Fixed Income

**Investors allocated €30.6bn to European-registered fixed income products in the first nine months of the year favouring corporate bonds over government debt which gained €15.3bn and €12bn respectively.**

Allocations with fixed income continued to paint a quixotic picture of investors' attitude to risk. On the one hand, investors are clearly concerned about price rises in the US and Europe, favouring Chinese government debt which gained €7.7bn and inflation-linked bonds. Inflation-linked bond indices in the US and the Eurozone both gained €2bn. US short-term debt added €2.7bn. But investors also allocated €4.3bn and €4bn to Eurozone and US corporate bonds as well as US high yield which gained €1.7bn.

Flows into fixed income ESG indices for the first nine months were €14bn, equivalent to 46% of total fixed income in-flows. Investors allocated €5.4bn to corporate USA ESG indices and €2.9bn to corporate Eurozone products. The switch from traditional fixed income to ESG indices continues and shows investors' appetite for these products in the fixed income space.

## **European cumulative flows** YTD




**DISCLAIMER**

Source: Bloomberg Finance LP - Amundi ETF
Net flows calculations presented in this document are based on European primary market data, over the latest business week. Amundi ETF Internal Database - each of the database is allocated by Amundi AM to a classification based on its underlying exposure

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**Information reputed exact as of October 2021**