

Active Managers Offer Institutional Funds to Reduce Fees in 2017

Active managers pushed back on index funds and ETFs in 2017 by cutting fees for actively managed funds, and introducing institutional shares for existing funds.

Only Institutional Shares Attracted Inflows

The focus on lower fees drove 2017 growth of institutionally priced actively managed funds with over \$600B of net new fund flows.



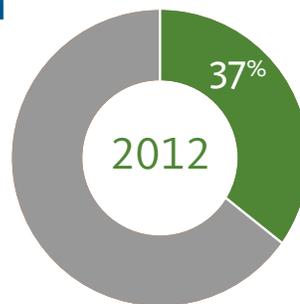
Net Flows for Actively Managed Funds 2012-2017

■ Institutional Priced Funds
■ Load Funds

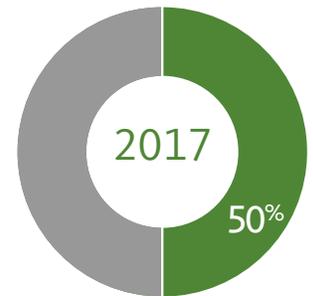
Institutional Shares Flourishing in the Retail Channel

The amount of retail assets invested in institutional funds was less than 37% at the end of 2012, but has steadily increased over the past five years.

Retail Assets invested
+13%
in 5 years



■ % Retail Assets Invested in Institutional Shares



The RIA and Private Bank Channels Lead in Institutional Share Asset Growth

The infusion of retail assets into institutional shares has been especially pronounced for registered investment advisors, with the RIA channel holding \$850B in institutional funds at the end of 2017.



Growth in Institutional Share Assets by Distribution Channel

■ 2017
■ 2012

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