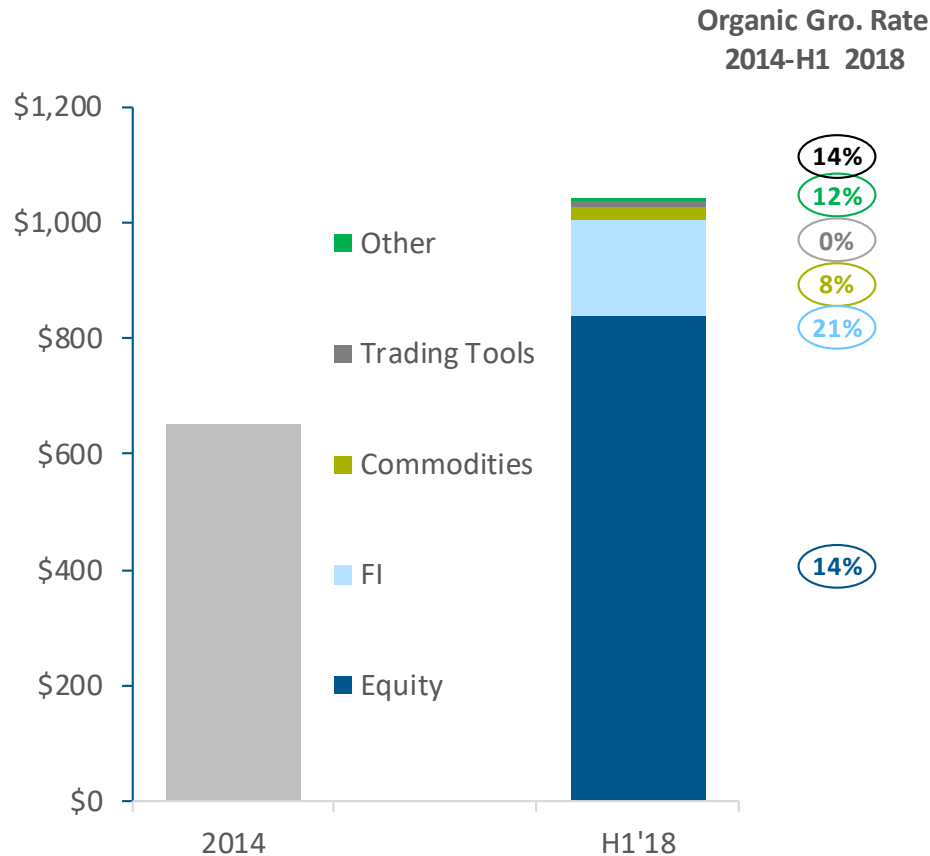


INSIGHT OF THE WEEK

Institutional usage of North American ETFs surpasses \$1T

North American ETF asset growth by channel and asset class

\$BN



Broadridge Insights

Usage of North American ETFs has surged in the last two years as institutional investors warm to their potential

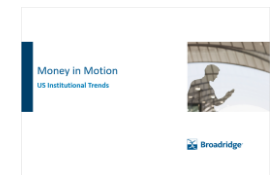
Driven by the need for better liquidity, diversification and cost efficiency, institutional ETF assets surpassed \$1 trillion in 2017, growing at 16% in 2016 and 35% in 2017. While growth slowed in the first half of 2018 due to market volatility, global trade tensions and rising rates, ETF assets are projected to more than double in the next five years.

The first wave of ETF proliferation was concentrated in equities, but fixed income ETFs have taken root in recent years, growing at 21% annually since 2014 surpassing the equity ETF growth rate of 14%. Institutional investors have warmed to ETF ease of use, low trading costs and the broadening of offerings in more sophisticated strategies. In a global ETF study, Ernst & Young projected fixed income ETF growth will exceed 25% annually in the next several years, with "huge untapped appeal to medium-sized institutions that might otherwise struggle to access corporate, high-yield or emerging market debt".

Insights drawn from our Americas Insight team

An intelligence service focused on the institutional landscape

- Analysis of markets, products and distribution
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