

Press Release

For immediate release

European ETFs record strongest ever quarterly inflows

- European ETFs raised \$68.6 billion in Q3 2024; the strongest quarter ever recorded in the EMEA ETF industry in net new assets (NNA)
- Takes NNA YTD to \$175.2 billion, a 65% increase on the same period in 2023
- Equity products continue to dominate inflows, taking 66% of NNA in Q3, ahead of fixed income on 34%

London, 18 October 2024 – European ETFs raised \$68.6 billion in Q3, the strongest quarter ever recorded in the EMEA ETF industry in terms of net new assets (NNA), according to Invesco's latest **European Demand Monitor**.

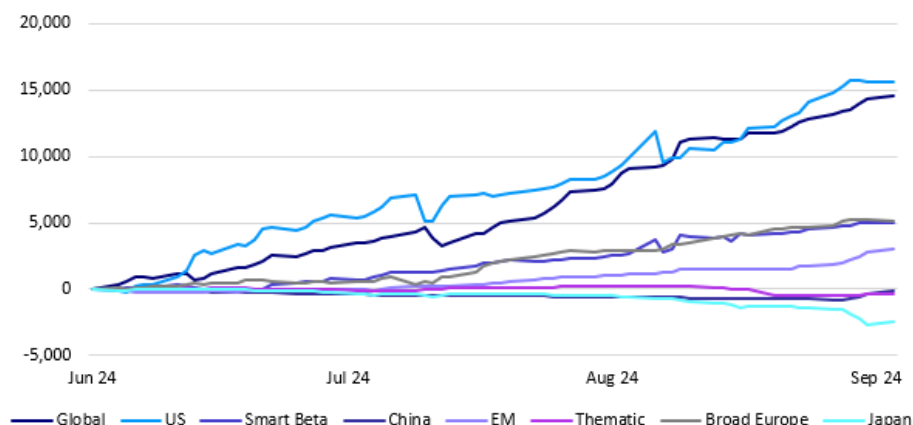
As a result, YTD NNA has reached \$175.2 billion over the first three quarters, an increase of 65% compared to the same period in 2023 and keeping NNA on course to beat the record \$192.9 billion set in 2021.

Equity products lead inflows

Equity products once again dominated, taking 66% of NNA over the quarter. In doing so, equity AUM hit new all-time highs in Q3, ending the quarter at \$1.6 trillion, driven by a combination of strong inflows and positive market performance. At \$129.3 billion, NNA YTD is 2.2 times stronger than over the same period in 2023.

US equities were the largest contributors to inflows in the quarter with \$15.6 billion, with global equities a very close second, taking in \$14.6 billion. European equities continued to participate in the quarter, taking \$5.2 billion, making it a comfortable third place in equity flows for the year so far.

NNA (\$m): Equity ETF flows



Strong quarter for fixed income with highest ever monthly inflow

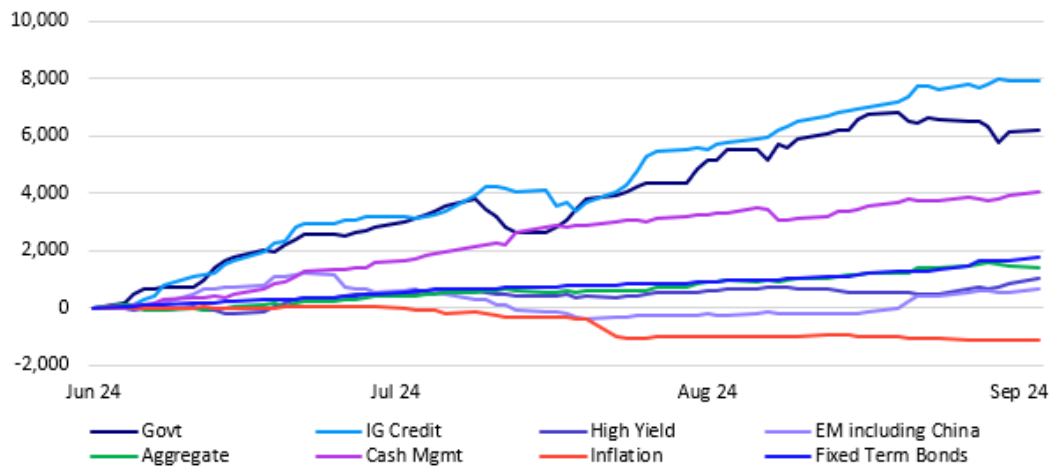
Fixed income ETFs saw a very strong quarter, with \$23.3 billion of net inflows. This is 44% higher than the net inflows seen in Q2 and helped by the robust inflows experienced in July, the highest ever recorded in EMEA for fixed income securities.

The key themes for Q3 were around investment grade credit, alongside a continued appetite for safe-haven assets such as developed market government bonds and cash management strategies.

Investment grade credit ETFs were the strongest category over the quarter, taking in \$7.9 billion in NNA. Euro-denominated IG credit captured most of the flows (\$4.2 billion) followed by dollar-denominated IG bonds (\$3.1 billion).

With \$6.2 billion in NNA, developed market government bond ETFs were the second strongest category over the quarter. Cash management ETFs were the next strongest category with \$4.0 billion of net inflows, a continuation of the trend observed in H1.

NNA (\$m): Fixed income ETF flows



Outlook for Q4 2024

“It was notable in Q3 that the breadth of markets increased”, said **Gary Buxton, Head of EMEA ETFs at Invesco**. “For example, the S&P 500 Equal Weight outperformed its market cap weighted parent by more than 3% and the MSCI World Equal Weight index returned 10% over the quarter. Questions still remain over the concentration in markets, and we have seen flows returning to equal weight approaches.”

“While geopolitical risks continue to increase, and the US Presidential election result remains a close call, there remains a positive tone in markets. The current record levels of cash will likely support markets in the final quarter of the year, as investors ready to put cash to work on any market pullback.”

Ends

Notes to editors

All data sourced from Invesco, Bloomberg, as at 30 September 2024. All figures in USD.

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Data source Invesco/Bloomberg as at 30 September 2024 unless otherwise stated.

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