Press Release
For immediate release

European ETFs raised $47.8bn in Q1, led by equity inflows

- European ETFs raised $47.8 billion in Q1; a 15% increase compared to the same period in 2023
- Equity products dominated inflows with 83% market share; however fixed income NNA remained resilient
- A difficult quarter for commodities with $2.7 billion of outflows
- Overall ETF AUM hit a new high of $1.9 trillion, helped by strong inflows and market-driven gains of 4.9%
- ESG represents 20.1% of industry AUM, largely unchanged over the quarter
- Outlook for ETF flows remains positive as inflation moderates

London, 19 April 2024 – European ETFs raised $47.8 billion in Q1, a 15% increase compared to the same period in 2023, according to Invesco's latest **European Demand Monitor**. Overall assets under management for European ETFs hit a new high of $1.9 trillion, buoyed by strong inflows and market-based gains of 4.9%.

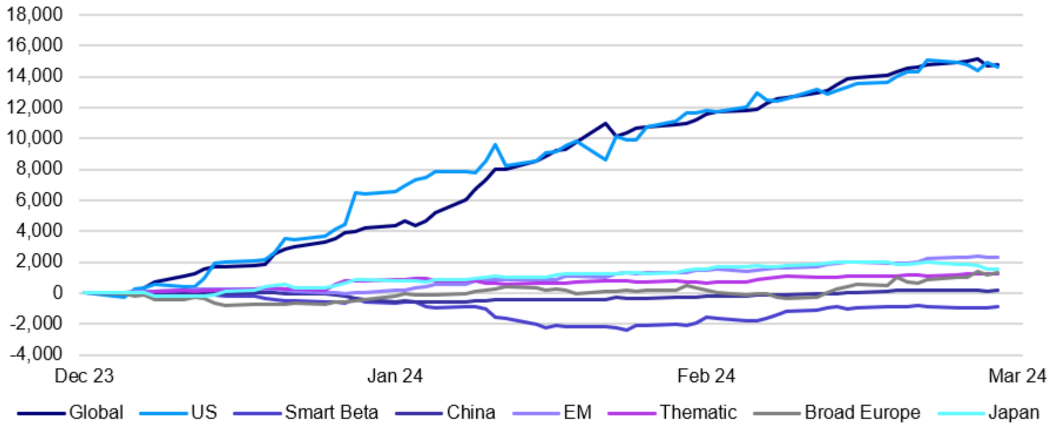
Equity products dominate inflows

At £39.6 billion, equity net new assets (NNA) were up 73% compared to the $23 billion seen in Q1 2023. Combined with a strong market performance over the quarter, this brought equity AUM to a record high of $1.38 trillion.

Global equities remained the largest contributors to inflows in Q1 2024 with $14.8 billion, accounting for 37% of total equity flows. Inflows were stable and consistent, slowing slightly in March compared to the first two months of the year.

US equities came a close second with $14.6 billion of inflows, a marked contrast to the first quarter of 2023 where outflows reached $2.2 billion by mid-March. US equity flows in Q1 2024 were equal to 46% of total flows to the region seen in 2024.

NNA ($m): Equity ETF flows



Data sourced from Invesco, Bloomberg, as at 29 Mar 2024. All figures in USD.

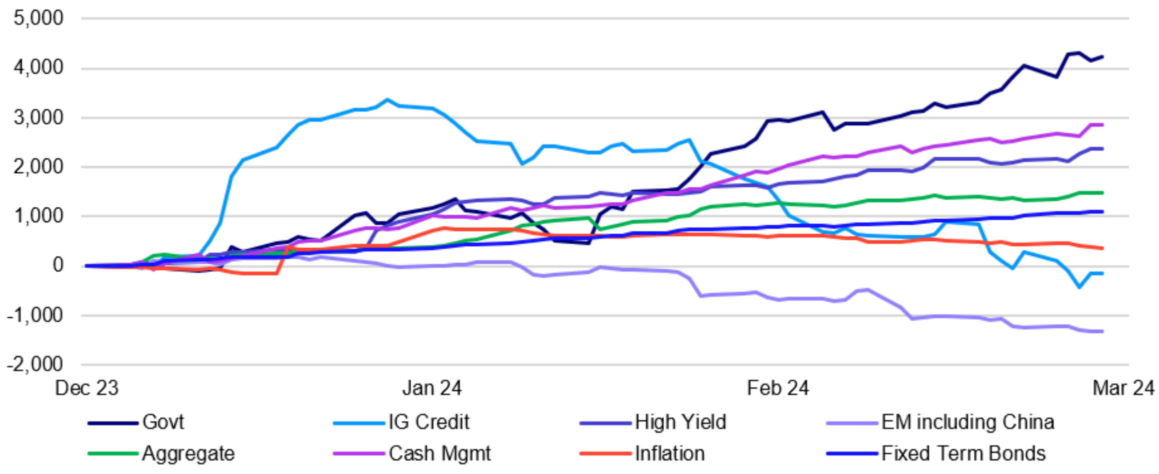
Fixed income flows remain resilient

While equity ETFs dominated NNA for Q1, the $12.1 billion of net inflows into fixed income ETFs represents 25% of market share, slightly above their market share by AUM.

With $4.2 billion NNA, developed market government bond ETFs were the strongest category for the quarter. ETFs focusing on very short-dated US Treasuries (<1 year), however, accounted for $2.4 billion which, when combined with cash management being the second strongest category for NNA ($2.9 billion) over the quarter, indicates investors do not view interest rate risk as being attractive following the strong rally into the end of 2023.

A deeper dive into government bond flows, however, shows a divergence of views between US and Eurozone exposures; for US Treasuries, in addition to strong inflows into sub-1 year Treasuries, there were outflows from ETFs focusing on longer maturities, indicating investors were actively shortening duration.

NNA ($m): Fixed income ETF flows



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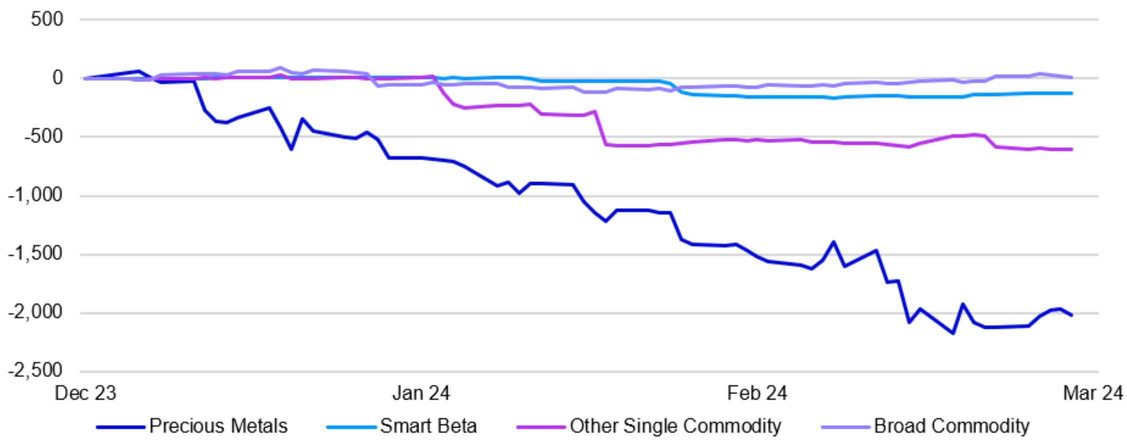
Commodities ETF flows

Commodities continued to experience net outflows during the quarter with net sales totalling $2.7 billion.

Gold ETCs saw the heaviest net selling with outflows of $2.9 billion as the gold price remand above $2,000 per ounce for the most of the quarter, and then rallied strongly in March to hit new all-time highs, ending the quarter at $2,230.

Other single commodity ETCs also came under pressure with net sales of $0.6 billion. Oil ETCs were the main driver with outflows of $1 billion, while Copper ETCs saw inflows of $0.3 billion.

NNA ($m): Commodity ETP flows



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Outlook for Q1 2024

“We expect equity performance to continue to depend on the evolution of growth, inflation and interest rates”, said **Gary Buxton, Head of EMEA ETFs at Invesco**. “A bumpier landing is likely to favour perceived safe-haven exposure such as global or US, a softer landing may help support appetite for more cyclical markets. Questions over concentration in markets are also likely to persist.”

“On the fixed income front, yields across many bond markets currently look close to the best levels seein 15 years and the more dovish rate outlook, fixed income is primed to perform well for the rest of the year, which should drive further inflows.”

Ends

Notes to editors

All data sourced from Invesco, Bloomberg, as at 29 Mar 2024. All figures in USD.

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The value of investments and any income will fluctuate (this may partly be the result of exchange rate fluctuations) and investors may not get back the full amount invested.

Important information

Data source Invesco/Bloomberg as at 29 Mar 2024 unless otherwise stated.

Views and opinions are based on current market conditions and are subject to change.

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