
Press Release

For immediate release

European ETFs raised \$59bn in Q2, an increase of 88% year-on-year

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- Net new assets (NNA) in H1 totalled \$106.6 billion; an increase of 46% compared to first half of 2023.
- Equity products continue to dominate inflows, taking 76% of NNA in Q2, while fixed income remains steady.
- Overall European ETF AUM breached \$2 trillion barrier for first time in Q2.

London, 29 July 2024 – European ETFs raised \$59 billion in Q2 2024, an 88% year-on-year on increase, as European ETF assets under management (AUM) hit \$2 trillion for the first time, according to Invesco's latest **European Demand Monitor**.

With NNA of \$106.6 billion in the first half of the year, net inflows into EMEA ETFs were up by 46% relative to the first half of 2023, and only narrowly behind the \$112 billion seen at the halfway point in 2021, which turned out to be the strongest year on record for EMEA ETF inflows.

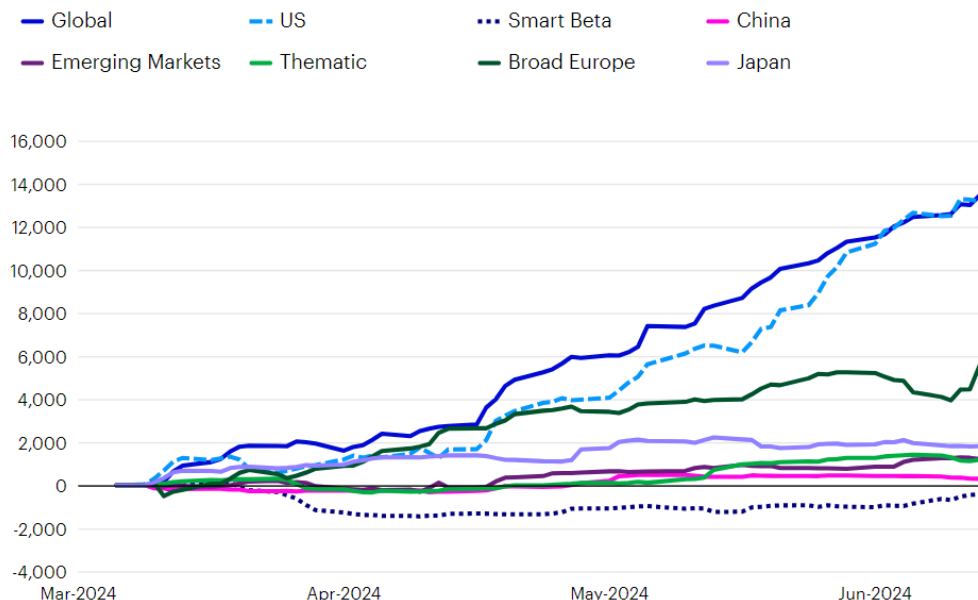
Equity products dominate inflows

Equity AUM hit new all-time highs in Q2, ending the quarter at \$1.45 trillion, driven by a combination of strong inflows and market performance. At \$84.3 billion, NNA for the first half is 2.3 times stronger than seen in the first half of 2023.

Global equities remained the largest contributors to inflows in the quarter with \$13.4 billion, slowing slightly compared to Q1 to give \$28.1 billion NNA in the first half of the year and accounting for a third of total equity flows YTD. US equities came a very close second, with \$13.2 billion of inflows in the quarter and \$27.8 billion for H1.

European equities saw a surge of interest in Q2, with \$4.9 billion of NNA in the quarter, more than a four-fold increase in flows compared to the first quarter giving total inflows YTD of \$6.1 billion.

NNA (\$m): Equity ETF flows



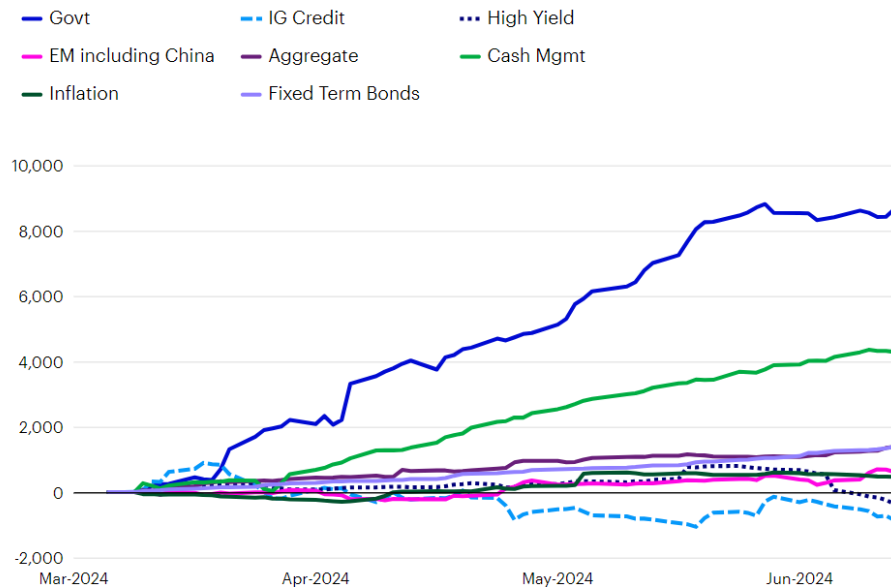
Source: Invesco, Bloomberg, as at 28 Jun 2024. All figures in USD.

Fixed income AUM reaches record high

Although the \$16.1 billion of net inflows into fixed income ETFs was 19% lower than the same period last year, fixed income NNA still punched above it by market share.

Investors favoured safe haven asset classes, with developed market government bonds and cash management representing 83% of fixed income NNA over the quarter. With \$8.7 billion in NNA, developed market government bonds were the strongest category over the quarter, and while the split between US Treasuries (\$4.2 billion) and Euro government bonds (\$3.8 billion) was equal, it is notable that \$2 billion of the US Treasury inflows went into ETFs focused on 0-1 year maturities, which may have been used in favour of cash management products.

NNA (\$m): Fixed income ETF flows



Source: Invesco, Bloomberg, as at 28 Jun 2024. All figures in USD.

Outlook for Q3 2024

“While the macroeconomic backdrop remains supportive for financial markets generally and should continue to lead strong demand for ETFs in the second half of the year, political and geopolitical risks remain”, said **Gary Buxton, Head of ETF EMEA at Invesco**. “The snap election in France appears likely to lead to increased uncertainty in coming months while the main focus for the second half will be the US presidential election in November.”

“Questions over concentration in markets are likely to persist, and we have seen modest flows returning to equal weight approaches as the performance gap has widened. Delivery of easier monetary policy in the second half of the year may prompt investors to look again at some of the other unloved parts of the market with thematic exposures a potential beneficiary.”

Ends

Notes to editors

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

For further information, please contact:

Invesco
Jane Drew

jane.drew@invesco.com

Telephone +44 20 3370 1104

Lansons

Anthony Cornwell / Tom Straker

anthonyc@lansons.com / toms@lansons.com

Telephone +44 207 294 3606 / +44 20 7566 9705

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

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