Press Release
For immediate release

European ETFs secure record annual inflows

- Annual European ETF inflows topped $265.4 billion, surpassing the previous record by over $80 billion.
- $90.2 billion of net new assets in Q4 represents highest quarterly inflow ever, surpassing previous high set in Q3.
- Dominance of equity products continued to accelerate, capturing 91% of inflows in Q4, and 80% for the full year.
- Demand for equal weight strategies drive resurgence for smart beta, with $15.3 billion of net new assets in 2024

London, 23 January 2025 – European ETFs raised $90.2 billion in the fourth quarter of 2024, taking net new assets (NNA) for the year to a record $265.4 billion according to Invesco's latest **European Demand Monitor**.

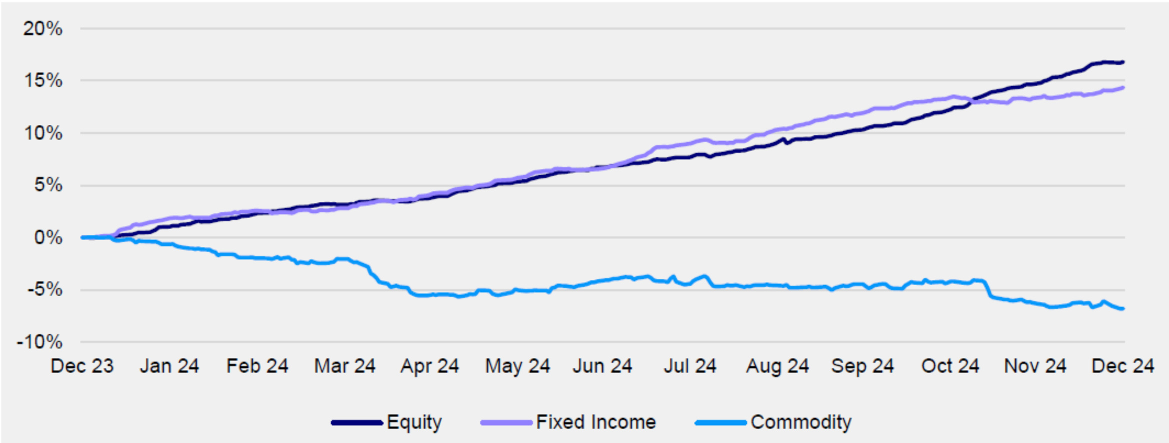
At $90.2 billion, Q4 EMEA ETF inflows also represented a record for a single quarter, eclipsing the previous record set in Q3 by more than $20 billion.

Equity ETFs dominate inflows, fixed income remains resilient
Having dominated inflows throughout 2024, Equity products inflows accelerated in Q4, taking 91% of NNA over the quarter and 80% for the full year. Totalling $211bn, annual equity ETF NNA was 50% higher than in 2021, the previous record year.

Flows into fixed income ETFs slowed in Q4, with $10.5 billion of NNA representing the weakest quarter for inflows since Q3 2022, whilst $62 billion of net inflows for the year was a drop of 9% on 2023. Nevertheless, fixed income AUM grew 11% last year, with 2024 also seeing the highest number of new fixed income ETF product launches since 2017, indicating a strong commitment to the asset class by issuers at current yield levels.

By contrast, Commodity ETPs continued to suffer outflows in Q4, with $2.7 billion of net outflows in Q4 primarily led by selling of gold (-$1.8 billion) as prices rallied to new all-time highs in October. However, even though outflows totalled $7.9 billion for the year, commodity AUM still ended the year 14% higher given Gold's strong performance in 2024.

Net new assets as a percentage of start of 2024 AUM



Source: Invesco, Bloomberg, as at 31 December 2024. All figures in USD.

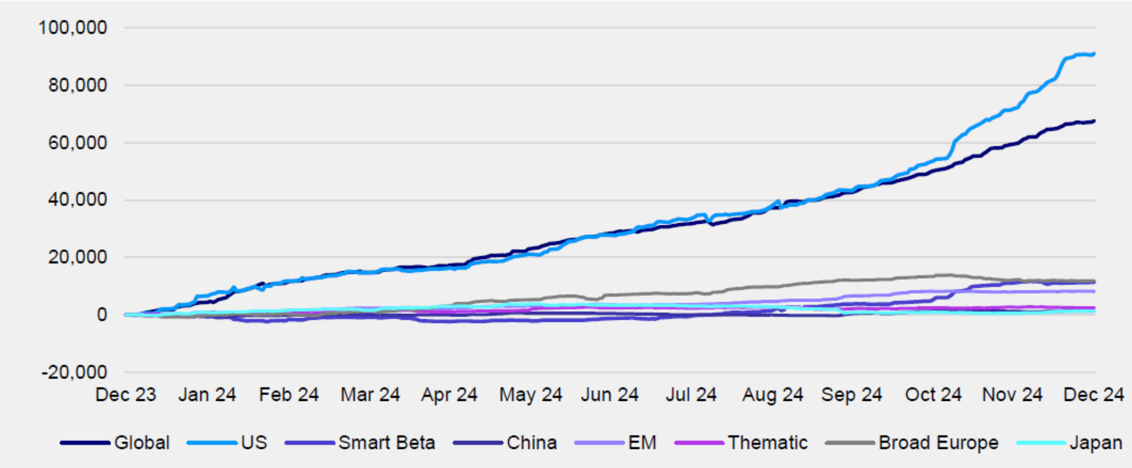
Global and US equities ETFs lead the way

Demand for equities was primarily focused on US and Global exposures, which together took three quarters of all equity inflows for the year. Flows for these categories were neck-and-neck going into the fourth quarter but $46.5 billion of inflows in Q4 made US equities the clear preference for investors, accounting for almost half of total equity flows last year.

Global equities inflows also accelerated in Q4 to $24.2 billion (up from $14.6 billion in Q3) bringing the full-year total to $67.6 billion. Flows into products tracking the MSCI World index dominated global equity exposures with $38.1 billion of NNA over the year, while broad global indices (combining EM & DM) captured $13.2 billion of inflows in 2024.

Smart Beta products also saw a surge of interest in the second half of last year, with NNA of $5.0 billion and $7.5 billion respectively, bringing total flows for the year to $11.3 billion. This was almost entirely driven by equal weight strategies, which gained $15.3 billion of inflows last year, offsetting outflows from more traditional factor strategies. This surge in buying of equal weight suggest a growing concern about concentration risk in broad market cap-weighted exposures.

NNA ($m): Equity ETF flows



Source: Invesco, Bloomberg, as at 31 December 2024. All figures in USD.

Outlook for Q1 2025

"European ETFs defied a backdrop of macroeconomic and political uncertainty to end 2024 with record inflows, highlighting their growing status as a vehicle of choice for all types of investors" **Gary Buxton, Head of EMEA ETFs at Invesco.**

"Although central bank easing has provided a supportive environment for financial markets, it now appears that there will be fewer cuts this year. Data shows the global economy remains healthy, while policies from President Trump could both boost growth and drive inflation higher. However, while financial market performance in 2025 may not be as strong as it was last year, flows into EMEA ETFs are likely to remain robust."

Ends

Notes to editors

All data sourced from Invesco, Bloomberg, as at 31 December 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

About Invesco Ltd.
About Invesco Ltd. Invesco is a global independent investment management firm dedicated to delivering an investment experience that helps people get more out of life. Our distinctive investment teams deliver a comprehensive range of active, passive and alternative investment capabilities. For more information, visit www.invesco.com.

Investment Risks

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

This marketing communication is exclusively for use by trade press in the UK, Austria, Germany, Belgium, France, Finland, Luxembourg, Norway, Portugal, Italy, the Netherlands, Spain, Sweden, Denmark, Switzerland, Dubai, Czech Republic and Slovakia. It is not intended for and should not be distributed to the public.

By accepting this material, you consent to communicate with us in English, unless you inform us otherwise.

All data and charts sourced from Invesco, Bloomberg, as at 31 December 2024 unless otherwise stated. All figures in USD

This document is marketing material and not financial advice. It is not intended as a recommendation to buy or sell any particular asset class, security, or strategy. Regulatory requirements that require impartiality of investment/investment strategy recommendations are therefore not applicable nor are any prohibitions to trade before publication.

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

This document is issued in:

The UK by Invesco Asset Management Limited, Perpetual Park Drive, Henley-on-Thames, Oxfordshire, RG9 1HH. Authorised and regulated by the Financial Conduct Authority.

Austria, Germany, Czech Republic and Slovakia by Invesco Asset Management Deutschland GmbH, An der Welle 5, 60322 Frankfurt am Main, Germany.

Belgium, France, Finland, Luxembourg, Norway, Portugal, Italy, the Netherlands, Spain, Sweden and Denmark, by Invesco Management S.A., President Building, 37A Avenue JF Kennedy, L-1855 Luxembourg, regulated by the Commission de Surveillance du Secteur Financier, Luxembourg

Switzerland by Invesco Asset Management (Schweiz) AG, Talacker 34, 8001 Zurich, Switzerland.

Dubai by Invesco Asset Management Limited, Index Tower Level 6 - Unit 616, P.O. Box 506599, Al Mustaqbal Street, DIFC, Dubai, United Arab Emirates. Regulated by the Dubai Financial Services Authority.