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# ETP Marketplace Highlights

September 2017

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# Highlights from the Month — September 2017

## Product Evolution

Launches: 29

New Filings: 28

Announced Modifications\*: 35

Announced Closures: 16

### Invesco Buys Guggenheim ETFs

Invesco (PowerShares) announced the acquisition of Guggenheim ETFs for \$1.2 billion

### Deutsche Rebrands US-Listed ETPs

Deutsche Asset Management announced the rebranding of its ETP line-up to “Xtrackers”

### PowerShares “PureBeta” Launches

PowerShares launched 6 low-cost cap-weighted ETPs branded “PureBeta”

### Nationwide ETP Launches

Nationwide debuted its ETP lineup with 3 strategic beta strategies

### Global X Closures

Global X announced the shuttering of 7 ETPs

### FTSE Delays China A-Shares

FTSE Russell delayed any announcement of China A-shares inclusion into its Global Indices until at least September 2019

\* Modifications refer to index changes, name changes, OER reductions, advisor/sub-advisor changes, etc. Only ETPs and affiliated ETPs within the same product suite with AUMs > \$250M are covered in Modifications

See Appendix for a list of launches, filings, modifications, closures and exemptive relief applications and grants and the sources for such information

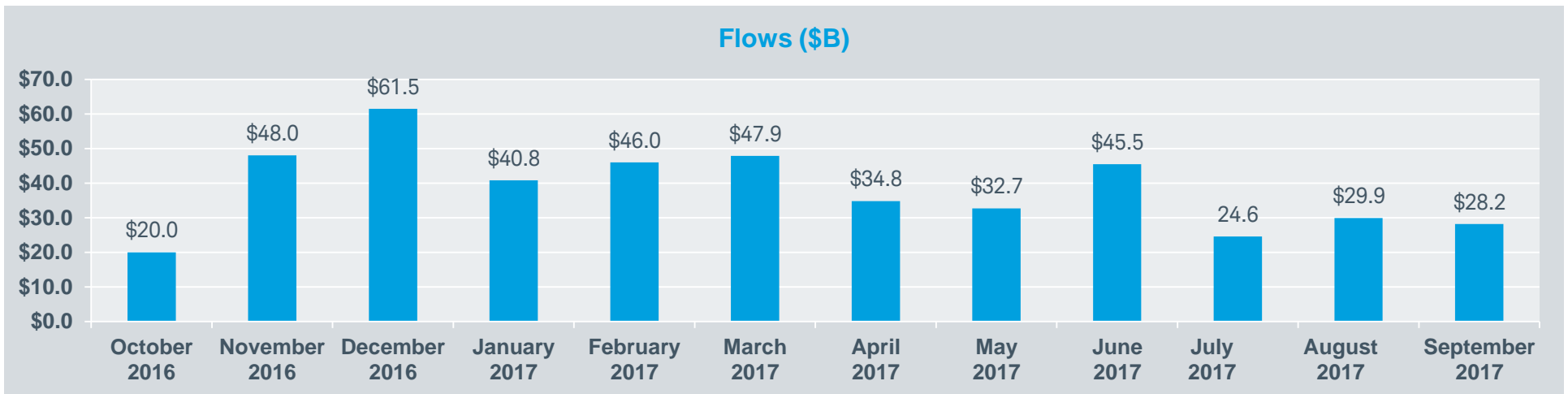
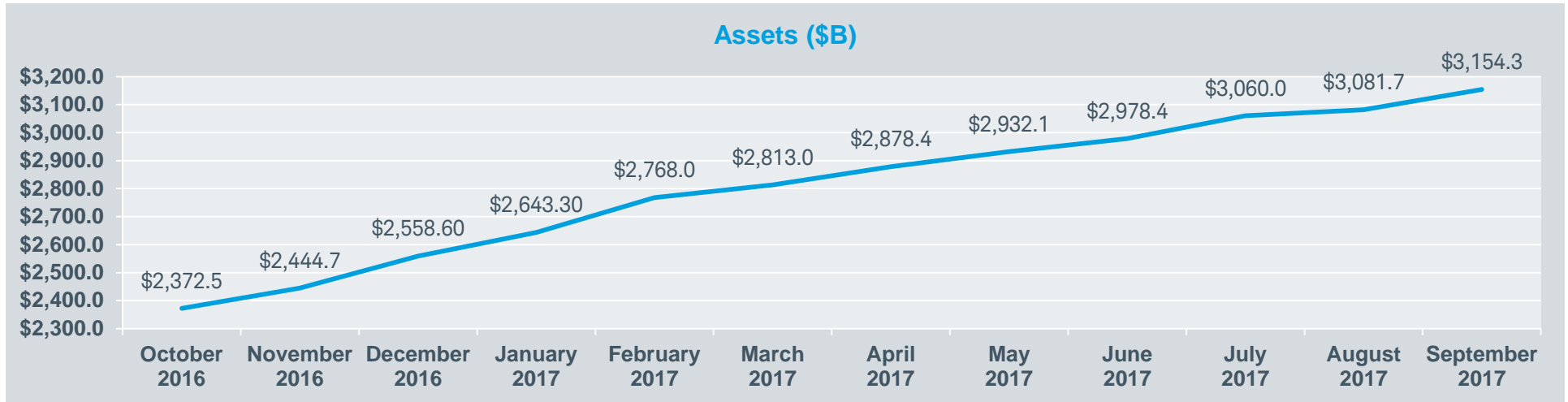
Please see the final slide for definitions

ETP Marketplace Highlights: September 2017

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# Assets and Flows

September 30, 2017 Total ETP AUM	September 2017 ETP AUM Change	September 2017 ETP Net Flows	YTD 2017 ETP Net Flows*
Assets: \$3.15 Trillion	Assets: \$72.7 Billion	Flows: \$28.2 Billion	Flows: \$332.1 Billion



\*YTD flows according to ETF.com's September 2017 Monthly ETF Flows Report, published on October 2, 2017. YTD flows may differ from aggregated flows from prior months, which may result from adjustments made to monthly flows after each Monthly ETF Flows Report was issued by the data provider. Any such adjustments are not reflected in the monthly flows chart.  
Source: ETF.com and FactSet, as of September 30, 2017



# Top 20 League Table

- BlackRock, Vanguard and Schwab ETFs dominated flows in September, pulling in approximately \$28.6 billion in industry net flows, combined
- State Street Global Advisors experienced \$2.2 billion in net outflows, as SPY alone saw nearly \$8 billion in outflows, even though overall AUM rose by over \$7 billion

Rank	Δ in Rank	Sponsor	9/30/17		8/31/17		M-O-M Change			YTD
			AUM (\$, MM)	% of Total	AUM (\$, MM)	% of Total	Δ in AUM (\$, MM)	Net Flows (\$, MM)	Net Flows (% of Total)	Net Flows (% of Total)
1	-	BlackRock	1,246,517.7	39.6%	1,217,460.8	39.5%	29,056.9	17,393.7	61.8%	158,157.4
2	-	Vanguard	782,949.3	24.9%	766,318.6	24.9%	16,630.7	9,450.3	33.6%	104,605.0
3	-	State Street Global Advisors	557,680.3	17.7%	550,607.7	17.9%	7,072.6	-2,208.7	-7.8%	6,738.1
4	-	PowerShares	128,495.9	4.1%	128,381.6	4.2%	114.3	764.7	2.7%	6,469.1
5	-	Schwab ETFs	86,847.3	2.8%	84,044.1	2.7%	2,803.2	1,785.6	6.3%	20,052.4
6	-	First Trust	51,482.8	1.6%	50,173.9	1.6%	1,308.9	-587.2	-2.1%	5,962.0
7	-	WisdomTree	43,840.6	1.4%	42,938.2	1.4%	902.4	-188.6	-0.7%	-146.7
8	-	Guggenheim	37,066.4	1.2%	36,327.6	1.2%	738.8	127.3	0.5%	2,853.9
9	-	Van Eck	32,711.0	1.0%	31,983.9	1.0%	727.1	142.6	0.5%	987.5
10	-	ProShares	29,279.2	0.9%	29,001.0	0.9%	278.2	6.7	0.0%	2,716.1
11	-	FlexShares	14,892.7	0.5%	14,585.4	0.5%	307.3	39.2	0.1%	2,196.1
12	-	PIMCO	14,395.2	0.5%	14,129.2	0.5%	266.0	37.9	0.1%	1,677.3
13	-	ALPS	14,227.6	0.5%	13,517.7	0.4%	709.8	1.1	0.0%	2,098.1
14	-	Deutsche Bank	12,728.9	0.4%	12,874.8	0.4%	-145.9	129.0	0.5%	-2,048.5
15	-	Direxion	11,480.2	0.4%	11,569.1	0.4%	-88.9	171.0	0.6%	99.6
16	-	Fidelity	7,453.6	0.2%	7,253.6	0.2%	200.0	26.6	0.1%	1,700.4
17	-	UBS	7,211.9	0.2%	6,948.3	0.2%	263.6	-5.8	0.0%	208.2
18	-	Barclays Capital	6,740.4	0.2%	6,624.3	0.2%	116.1	285.5	1.0%	522.7
19	-	Global X	6,599.4	0.2%	6,026.8	0.2%	572.6	20.2	0.1%	2,491.4
20	-	Goldman Sachs	5,843.8	0.2%	5,725.1	0.2%	118.7	-410.5	-1.5%	2,493.2

Source: ETF.com and FactSet, as of September 30, 2017

# Flows and Assets by Asset Class

- U.S. Fixed Income dominated flows in September, pulling in over \$11.2 billion, even topping strong inflows into International Equity
- Commodities ETPs also experienced strong inflows over \$2.2 billion, as investor poured over \$2 billion into the largest gold ETP, GLD
- Leveraged and Inverse ETPs saw nearly a combined \$1.2 billion in net outflows for the month

Asset Category	9/30/17		8/31/17		M-O-M Change		YTD
	AUM (\$, MM)	% of Total	AUM (\$, MM)	% of Total	Change in AUM (\$, MM)	Net Flows (\$, MM)	Net Flows (\$, MM)
U.S. Equity	1,738,271.9	55.1%	1,692,087.8	54.9%	46,184.1	5,652.0	99,424.4
International Equity	727,781.5	23.1%	711,784.9	23.1%	15,996.6	9,485.9	121,694.0
U.S. Fixed Income	507,389.3	16.1%	498,573.8	16.2%	8,815.5	11,243.3	90,769.6
International Fixed Income	54,361.0	1.7%	54,778.2	1.8%	-417.3	689.3	12,760.0
Commodities	66,037.7	2.1%	64,427.3	2.1%	1,610.3	2,248.8	2,240.6
Currency	1,386.3	0.0%	1,451.9	0.0%	-65.6	-115.3	-153.0
Leveraged	29,769.8	0.9%	28,871.0	0.9%	898.8	-641.4	1,322.8
Inverse	17,729.0	0.6%	18,107.5	0.6%	-378.5	-553.7	2,569.1
Asset Allocation	7,570.6	0.2%	7,352.9	0.2%	217.7	148.3	410.1
Alternatives	4,051.2	0.1%	4,222.9	0.1%	-171.7	15.6	1,042.0
<b>Total:</b>	<b>3,154,348.3</b>	<b>100.0%</b>	<b>3,081,656.3</b>	<b>100.0%</b>	<b>72,692.0</b>	<b>28,172.6</b>	<b>332,074.8</b>

Source: ETF.com and FactSet, as of September 30, 2017

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# Top ETP Net Flows

- Small-cap ETFs saw significant inflows, with IWM and IJR both making the top 10 net inflows list
- International ETFs, both developed and emerging markets, continued their YTD trend and saw strong inflows in September
- The world's largest gold ETP, GLD, saw over \$2 billion in net flows
- Inverse VIX products (SVXY and XIV) saw large outflows in September

Top 10 Net Inflows				
Ticker	Name	Sponsor	September 2017 AUM (\$, MM)	September 2017 Flows (\$, MM)
IWM	iShares Russell 2000 ETF	BlackRock	41,153.3	2,458.2
TLT	iShares 20+ Year Treasury Bond ETF	BlackRock	9,515.8	2,453.3
GLD	SPDR Gold Trust	State Street Global Advisors	35,643.5	2,040.3
IEFA	iShares Core MSCI EAFE ETF	BlackRock	35,740.8	2,009.2
VWO	Vanguard FTSE Emerging Markets ETF	Vanguard	62,002.6	1,560.9
VOO	Vanguard S&P 500 ETF	Vanguard	73,773.2	1,265.4
XLF	Financial Select Sector SPDR Fund	State Street Global Advisors	27,219.6	1,186.6
HYG	iShares iBoxx \$ High Yield Corporate Bond ETF	BlackRock	19,332.5	1,172.2
VEA	Vanguard FTSE Developed Markets ETF	Vanguard	62,347.8	988.2
IJR	iShares Core S&P Small Cap ETF	BlackRock	33,211.1	902.4

Top 10 Net Outflows				
Ticker	Name	Sponsor	September 2017 AUM (\$, MM)	September 2017 Flows (\$, MM)
SPY	SPDR S&P 500 ETF Trust	State Street Global Advisors	241,728.4	-7,995.1
XLI	Industrial Select Sector SPDR Fund	State Street Global Advisors	10,926.8	-1,013.7
LQD	iShares iBoxx \$ Investment Grade Corporate Bond ETF	BlackRock	37,485.2	-835.7
QQQ	PowerShares QQQ Trust	PowerShares	52,152.2	-824.4
SVXY	ProShares Short VIX Short-Term Futures ETF	ProShares	1,110.0	-583.4
USO	United States Oil Fund LP	US Commodity Funds	2,290.7	-489.7
XIV	VelocityShares Daily Inverse VIX Short-Term ETN	Credit Suisse	1,021.9	-419.3
EWG	iShares MSCI Germany ETF	BlackRock	4,628.7	-361.6
TNA	Direxion Daily Small Cap Bull 3x Shares	Direxion	524.7	-339.5
EWJ	iShares MSCI Japan ETF	BlackRock	15,913.1	-331.3

Source: ETF.com and FactSet, as of September 30, 2017

# Disclosures

**Investors should consider carefully information contained in the prospectus or, if available, the summary prospectus, including investment objectives, risks, charges and expenses. You can obtain a prospectus by visiting <https://www.schwabfunds.com> or calling 1-877-824-5615. Please read the prospectus carefully before investing.**

Investment returns will fluctuate and are subject to market volatility, so that an investor's shares, when redeemed or sold, may be worth more or less than their original cost. Some specialized exchanged-traded funds can be subject to additional market risks. Unlike mutual funds, shares of ETFs are not individually redeemable directly with the ETF. Shares of ETFs are bought and sold at market price, which may be higher or lower than the net asset value (NAV).

ETPs mentioned are for informational purposes and not an offer to buy or sell a particular security.

Data here is obtained from what are considered reliable sources; however, its accuracy, completeness or reliability cannot be guaranteed.

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# Appendix

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# ETP Launches

Ticker	Name	Sponsor	Exchange	OER	Launch Date
FLMI	Franklin Liberty Intermediate Municipal Opportunities ETF	Franklin	NYSE Arca	0.30%	9/5/17
FLMB	Franklin Liberty Municipal Bond ETF	Franklin	NYSE Arca	0.30%	9/5/17
SECT	Main Sector Rotation ETF	Main Management	BATS	0.65%	9/6/17
MFEM	PIMCO RAFI Dynamic Multi-Factor Emerging Market Equity ETF	PIMCO	NYSE Arca	0.49%	9/6/17
MFDX	PIMCO RAFI Dynamic Multi-Factor International Equity ETF	PIMCO	NYSE Arca	0.39%	9/6/17
MFUS	PIMCO RAFI Dynamic Multi-Factor US Equity ETF	PIMCO	NYSE Arca	0.29%	9/6/17
MAGA	Point Bridge GOP Stock Tracker ETF	Point Bridge	BATS	0.65%	9/7/17
GHYB	Goldman Sachs Access High Yield Corporate Bond ETF	Goldman Sachs	NYSE Arca	0.34%	9/7/17
OBOR	KraneShares MSCI One Belt One Road Index ETF	KraneShares	NYSE Arca	0.79%	9/8/17
PFFD	Global X US Preferred ETF	Global X	BATS	0.23%	9/13/17
IBDS	iShares iBonds Dec 2027 Term Corporate ETF	BlackRock	NYSE Arca	0.10%	9/14/17
MLQD	iShares 5-10 Year Investment Grade Corporate Bond ETF	BlackRock	BATS	0.06%	9/14/17
LLQD	iShares 10+ Year Investment Grade Corporate Bond ETF	BlackRock	BATS	0.06%	9/14/17
GSEW	Goldman Sachs Equal Weight US Large Cap Equity ETF	Goldman Sachs	BATS	0.09%	9/14/17
UBRT	Credit Suisse AxelaTrader 3X Long Brent Crude Oil ETN	Credit Suisse	NYSE Arca	1.35%	9/15/17
DBRT	Credit Suisse AxelaTrader 3X Inverse Brent Crude Oil ETN	Credit Suisse	NYSE Arca	1.65%	9/15/17
RBIN	Nationwide Risk-Based International Equity ETF	Nationwide	NYSE Arca	0.42%	9/18/17
RBUS	Nationwide Risk-Based US Equity ETF	Nationwide	NYSE Arca	0.30%	9/18/17
MXDU	Nationwide Maximum Diversification US Core Equity ETF	Nationwide	NYSE Arca	0.34%	9/18/17

Sources: NYSE Arca, BATS, NASDAQ, Strategic Insight, FUSE, ETF.com, Morgan Stanley Smith Barney, Ignites, ETFTrends and Company websites

# ETP Launches (Cont'd)

Ticker	Name	Sponsor	Exchange	OER	Launch Date
PBTP	PowerShares PureBeta MSCI USA Portfolio	PowerShares	BATS	0.04%	9/22/17
PBSM	Powershares PureBeta MSCI USA Small Cap Portfolio	PowerShares	BATS	0.06%	9/22/17
PBDM	PowerShares PureBeta FTSE Developed ex-North America Portfolio	PowerShares	BATS	0.07%	9/22/17
PBEE	PowerShares PureBeta FTSE Emerging Markets Portfolio	PowerShares	BATS	0.14%	9/22/17
PBTP	PowerShares PureBeta 0-5 Yr US TIPS Portfolio	PowerShares	BATS	0.07%	9/22/17
BSCR	Guggenheim BulletShares 2027 Corporate Bond ETF	Guggenheim	NYSE Arca	0.24%	9/27/17
BSJP	Guggenheim BulletShares 2025 High Yield Corporate Bond ETF	Guggenheim	NYSE Arca	0.42%	9/27/17
HTRB	Hartford Total Return Bond ETF	Hartford	NYSE Arca	0.39%	9/28/17
DALT	Anfield Capital Diversified Alternatives ETF	Anfield Capital	BATS	1.30%	9/29/17
PBND	PowerShares PureBeta US Aggregate Bond Portfolio	PowerShares	BATS	0.05%	9/29/17

# ETP Filings

Name	Sponsor
7 Handl Index ETF	Rational Advisors
American Energy Independence ETF	SL Advisors
Arrow Dogs of the World ETF	Arrow Investment Advisors
Arrow DWA Country Rotation ETF	Arrow Investment Advisors
Causeway Global Value NextShares*	Causeway Capital Management
Causeway International Value NextShares*	Causeway Capital Management
CBOE Vest S&P 500 Dividend Aristocrats Target Income Index ETF	CBOE Vest Financial
CBOE Vest S&P 500 Market-Neutral Option Income ETF	CBOE Vest Financial
Elkhorn Long Non-USD Currency ETF, Series 2	Elkhorn
Elkhorn Short Non-USD Currency ETF, Series 2	Elkhorn
Innovator S&P 500 Ultra ETF (Month)	Innovator Capital Management
James Biblically Responsible Investment ETF	Exchange Traded Concepts
KraneShares CCBS China Corporate High Yield Bond USD Index ETF	KraneShares
KraneShares MSCI All China Consumer Discretionary Index ETF	KraneShares
KraneShares MSCI All China Consumer Staples Index ETF	KraneShares
KraneShares MSCI All China Health Care Index ETF	KraneShares
Pacer Wealth Shield ETF	Pacer Advisors
ProShares Decline of Bricks and Mortar Retail ETF	ProShares
ProShares Long Clicks/Short Bricks Retail ETF	ProShares

\*ETMF

Sources: NYSE Arca, BATS, NASDAQ, Strategic Insight, FUSE, ETF.com, Morgan Stanley Smith Barney, Ignites, ETFTrends and Company websites



# ETP Filings (Cont'd)

Name	Sponsor
SPDR Kensho Future Security ETF	State Street Global Advisors
SPDR Kensho Intelligent Infrastructure ETF	State Street Global Advisors
SPDR Kensho Smart Transportation ETF	State Street Global Advisors
Steward Covered Call Income	Crossmark Global Investments
USCF Contango-Killer Natural Gas Fund (No K-1) ETF	USCF Advisers
USCF Contango-Killer Oil Fund (No K-1) ETF	USCF Advisers
USCF SummerHaven Private Equity Natural Resources Strategy Index ETF	USCF Advisers
USCF SummerHaven Private Equity Strategy Index ETF	USCF Advisers
VanEck Vectors Real Asset Allocation ETF	Van Eck

# Announced ETP Modifications

## Deutsche Bank

- Announced on September 29, 2017, a rebranding of 35 ETPs from "Deutsche X-trackers" to "Xtrackers," which went into effect October 2, 2017

# ETP Closures

## Elkhorn

- Announced on August 31, 2017\*, the liquidation of the following ETPs. The last day of trading for the following ETPs was September 14, 2017.

Ticker	Name
XD	Elkhorn S&P MidCap Consumer Discretionary Portfolio
XE	Elkhorn S&P MidCap Energy Portfolio
XF	Elkhorn S&P MidCap Financial Portfolio
XH	Elkhorn S&P MidCap Health Care Portfolio
XI	Elkhorn S&P MidCap Industrials Portfolio
XK	Elkhorn S&P MidCap Information Technology Portfolio
XM	Elkhorn S&P MidCap Materials Portfolio
XS	Elkhorn S&P MidCap Consumer Staples Portfolio
XU	Elkhorn S&P MidCap Utilities Portfolio

Sources: NYSE Arca, BATS, NASDAQ, Strategic Insight, FUSE, ETF.com, Morgan Stanley Smith Barney, Ignites, ETFTrends and Company websites

\*This announcement was missed in the August ETP Highlights report



# ETP Closures (Cont'd)

## Global X

- Announced on September 22, 2017, the liquidation of the following ETPs. The last day of trading for the following ETPs was October 6, 2017.

Ticker	Name
AND	Global X FTSE Andean 40 ETF (AND)
BRAZ	Global X Brazil Mid Cap ETF (BRAZ)
BRAQ	Global X Brazil Consumer ETF (BRAQ)
ACTX	Global X Guru Activist Index ETF (ACTX)
GURI	Global X Guru International Index ETF (GURI)
PERM	Global X Permanent ETF (PERM)
MLPJ	Global X Junior MLP ETF (MLPJ)

# New Exemptive Relief Grants

## SL Advisors

- Granted exemptive relief to offer index-based ETFs

# Definitions

## ETP (exchange-traded product)

In addition to ETFs (exchange-traded funds), several other investment products are also exchange-traded and are therefore similarly categorized, including exchange-traded notes (ETNs), commodities, unit investment trusts (UITs), grantor trusts and limited partnerships. As ETFs represent the vast majority of these exchange-traded investment products, the term is often used as a catchall. Here, the label “exchange-traded product” (ETP) is used as the umbrella under which ETFs and other related investment products fall.

## ETMF (exchange-traded managed fund)

ETMFs are a new type of open-end fund that combine aspects of both ETFs and mutual funds (MFs). ETMF shares are expected to trade throughout the day on an exchange, but unlike ETFs, trading prices are expected to be linked to the fund’s end-of-day net asset value utilizing an approach called “NAV-based trading” and the current requirement of most ETFs to disclose their holdings daily is eliminated. ETMF providers require agreements with NextShares Solutions LLC, (NextShares), the Eaton Vance subsidiary formed to develop and commercialize NextShares.