



ETF industry highlights

Month at a glance

October 2018

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This monthly report contains a compilation of news and data about ETFs. It's designed to offer at-a-glance convenience and a tight focus on the most important ETF trends you need to know.

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Notable this month

Positive Flows Despite Market Drop

\$4.4 billion of new money was added in October despite the U.S. stock market experiencing its worst monthly decline since October 2011.

U.S. Fixed Income Outflows

U.S. fixed income ETFs saw over \$5 billion in net outflows, the first monthly outflow for the asset category since November 2015.

Invesco Adds to BulletShares Suite

Invesco added 4 additional ETFs focused on emerging markets debt to their BulletShares suite.

GraniteShares Lowers Fees

GraniteShares' Gold Trust ETF (BAR) dropped its expense ratio from 0.20% to 0.17%, undercutting SPDR's GLDM and Perth Mint's AAAU.

BlackRock Unveils Agg Bond ESG ETF

BlackRock rolled out EAGG, an environmental, social, and governance (ESG) focused aggregate bond ETF.

Product summary

Launches

28

Filings

40

Announced closures

2

Announced changes

6

12-month assets and flows

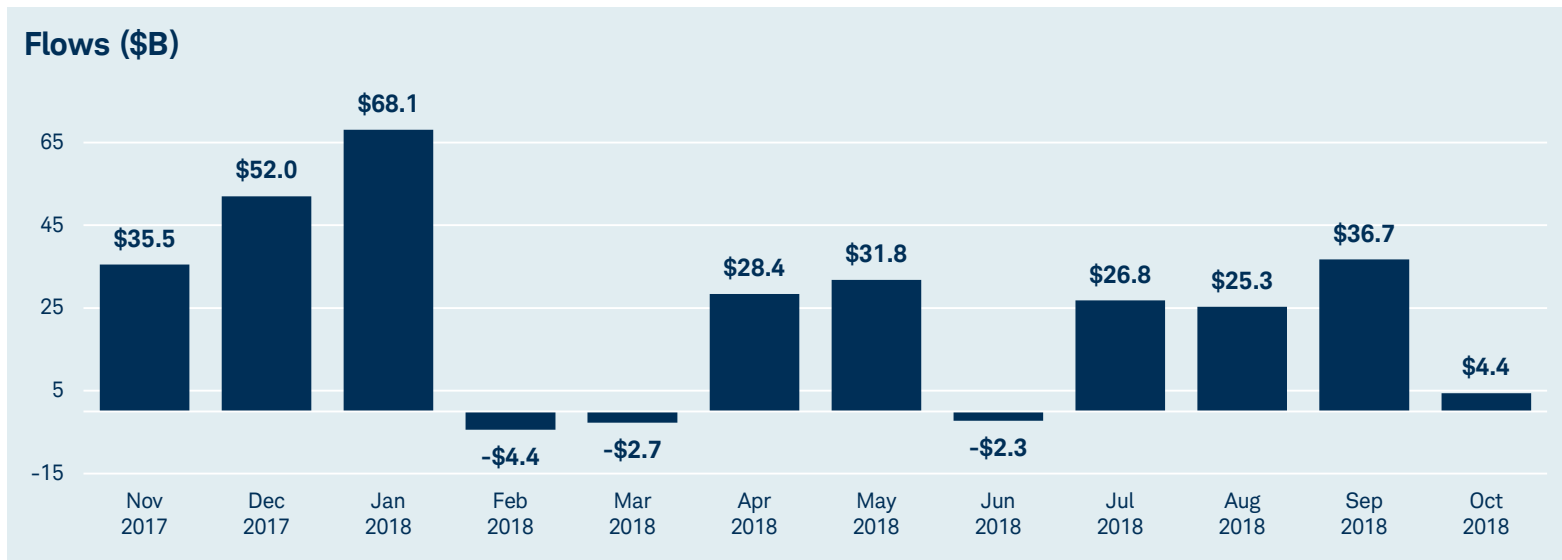


As of October 2018

Total ETF AUM
\$3.48T

ETF AUM change
-\$261.3B

ETF net flows
\$4.4B



ETF YTD flows*
\$215.1B

*YTD flows according to ETF.com's October 2018 Monthly ETF Flows Report, published on November 1, 2018. 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 October 31, 2018.

Top 20 leaderboard

Vanguard led all issuers in net inflows with over \$3.0 billion, with VOO accounting for nearly \$2.2 billion of that figure.

State Street led issuers in net outflows in October with nearly -\$6.7 billion, adding to their YTD outflows of -\$7.5 billion as of month end.

JPMorgan saw the second largest net inflows in October with nearly \$2.3 billion, moving them up the sponsor rankings to become the 11th largest issuer by AUM.

Rank	Δ in rank		10/31/2018		Month-over-month change		YTD
			AUM (\$, MM)	% of total	Δ in AUM (\$, MM)	Net flows (\$, MM)	Net flows (\$, MM)
1	-	BlackRock	1,344,689.1	38.7%	-101,529.2	1,917.4	72,678.7
2	-	Vanguard	876,216.1	25.2%	-64,258.6	3,030.9	63,633.9
3	-	State Street Global Advisors	600,207.7	17.3%	-51,273.4	-6,659.5	-7,533.8
4	-	Invesco	182,285.6	5.2%	-16,768.5	-2,232.5	6,070.0
5	-	Schwab ETFs	117,479.8	3.4%	-7,625.9	1,600.7	23,745.0
6	-	First Trust	65,496.1	1.9%	-8,155.2	-1,625.6	10,736.4
7	-	WisdomTree	38,197.3	1.1%	-3,390.4	-118.8	-4,381.6
8	-	VanEck	33,800.4	1.0%	-269.4	247.1	3,780.7
9	-	ProShares	29,910.5	0.9%	-1,598.7	1,142.7	3,562.1
10	-	PIMCO	17,589.2	0.5%	161.4	296.2	3,070.5
11	+1	JPMorgan	16,181.3	0.5%	1,212.8	2,275.5	10,895.4
12	-1	FlexShares	15,462.4	0.4%	-944.4	98.2	462.2
13	-	ALPS	12,958.9	0.4%	-1,065.1	-3.5	-346.8
14	+2	Direxion	12,005.0	0.3%	-399.9	1,300.0	1,896.9
15	-1	Fidelity	11,901.2	0.3%	-698.7	316.4	3,178.8
16	-1	Deutsche Bank	11,857.9	0.3%	-728.2	166.0	-609.1
17	+1	Goldman Sachs	9,842.9	0.3%	63.4	751.1	3,875.5
18	-1	Mirae	9,043.2	0.3%	-1,206.0	-189.6	1,961.1
19	-	UBS	6,546.0	0.2%	-937.0	66.1	57.9
20	-	Barclays	5,421.8	0.2%	-332.9	-445.1	1,800.8

Source: ETF.com and FactSet, as of October 31, 2018.

Asset class snapshot

ETFs garnered almost \$4.4 billion in net flows despite the U.S. stock market experiencing its worst monthly decline in seven years.

International Equity led monthly net inflows in October with over \$6.1 billion, despite share prices in many international markets dropping.

U.S. fixed income had outflows for the first time since November 2015, as it led all categories in net outflows in October, over -\$5.0 billion, as bond prices largely fell.

Asset category	10/31/2018		Month-over-month change		YTD
	AUM (\$, MM)	% of total	Change in AUM (\$, MM)	Net flows (\$, MM)	Net flows (\$, MM)
U.S. equity	1,998,766.9	57.5%	-179,386.6	-595.5	98,099.8
International equity	729,359.0	21.0%	-70,101.4	6,136.9	41,925.8
U.S. fixed income	560,218.9	16.1%	-10,320.5	-5,030.8	56,032.9
International fixed income	65,348.1	1.9%	-97.3	737.7	10,206.6
Commodities	61,102.6	1.8%	1,735.2	819.9	-493.8
Currency	1,107.9	0.0%	12.8	32.5	-60.3
Leveraged	34,290.9	1.0%	-3,249.9	3,447.6	6,512.5
Inverse	13,505.7	0.4%	620.6	-706.7	1,943.4
Asset allocation	8,941.9	0.3%	-552.9	-18.9	659.7
Alternatives	4,864.1	0.1%	16.5	-432.2	295.7
Total:	3,477,505.8	100.0%	-261,323.6	4,390.4	215,122.5

Source: ETF.com and FactSet, as of October 31, 2018.

Top 10 net flows

S&P 500 ETFs, **IVV** and **VOO**, saw large inflows of nearly \$4.8 billion and \$2.2 billion, respectively, despite U.S. markets taking a tumble in October.

XLC continues to see large inflows taking in over \$1.9 billion in October. This brings the total AUM to over \$3.6 billion for the recently launched sector fund.

Fixed income ETFs, across various credits and durations, including TIPS, accounted for 5 of the top 10 net outflows

Top 10 net inflows

Ticker	Name	Sponsor	Oct 2018 AUM (\$, MM)	Oct 2018 Flows (\$, MM)
IVV	iShares Core S&P 500 ETF	BlackRock	156,873.2	4,787.6
VOO	Vanguard S&P 500 ETF	Vanguard	98,291.5	2,167.7
XLC	Communication Services Select Sector SPDR Fund	State Street Global Advisors	3,655.0	1,920.1
BIL	SPDR Bloomberg Barclays 1-3 Month T-Bill ETF	State Street Global Advisors	5,301.7	1,757.3
EWJ	iShares MSCI Japan ETF	BlackRock	16,604.8	1,721.0
IXUS	iShares Core MSCI Total International Stock ETF	BlackRock	11,447.5	1,607.1
TQQQ	ProShares UltraPro QQQ	ProShares	3,911.2	1,342.1
SDY	SPDR S&P Dividend ETF	State Street Global Advisors	16,601.8	1,058.9
IEFA	iShares Core MSCI EAFE ETF	BlackRock	54,542.2	993.0
EMB	JPMorgan Ultra-Short Income ETF	JPMorgan	3,317.0	920.8

Top 10 net outflows

Ticker	Name	Sponsor	Oct 2018 AUM (\$, MM)	Oct 2018 Flows (\$, MM)
IWB	iShares Russell 1000 ETF	BlackRock	16,713.8	-2,941.5
SPY	SPDR S&P 500 ETF Trust	State Street Global Advisors	255,395.4	-2,905.3
AGG	iShares Core U.S. Aggregate Bond ETF	BlackRock	52,688.3	-2,852.5
LQD	iShares iBoxx USD Investment Grade Corp. Bond ETF	BlackRock	31,253.7	-2,102.0
JNK	SPDR Bloomberg Barclays High Yield Bond ETF	State Street Global Advisors	7,432.8	-1,970.7
TLT	iShares 20+ Year Treasury Bond ETF	BlackRock	7,800.2	-1,732.3
XLK	Technology Select Sector SPDR Fund	State Street Global Advisors	19,215.9	-1,576.0
XLY	Consumer Discretionary Select Sector SPDR Fund	State Street Global Advisors	13,057.1	-1,462.3
TIP	iShares TIPS Bond ETF	BlackRock	22,285.0	-1,272.1
IYR	iShares U.S. Real Estate ETF	BlackRock	3,367.9	-1,068.2

Source: ETF.com and FactSet, as of October 31, 2018.

New launches

Ticker	Name	Sponsor	Exchange	Net OER	Launch date
POCT	Innovator S&P 500 Power Buffer ETF - October	Innovator ETFs	CBOE	0.79%	10/1/2018
BOCT	Innovator S&P 500 Buffer ETF - October	Innovator ETFs	CBOE	0.79%	10/1/2018
UOCT	Innovator S&P 500 Ultra Buffer ETF - October	Innovator ETFs	CBOE	0.79%	10/1/2018
LSAF	LeaderShares AlphaFactor US Core Equity ETF	LeaderShares	NYSE Arca	0.75%	10/2/2018
GTIP	Goldman Sachs Access Inflation Protected USD Bond ETF	Goldman Sachs	CBOE	0.12%	10/2/2018
WBND	Western Asset Total Return ETF	Legg Mason	Nasdaq	0.45%	10/3/2018
FPXE	First Trust IPOX Europe Equity Opportunities ETF	First Trust	Nasdaq	0.70%	10/4/2018
BSAE	Invesco BulletShares 2021 USD Emerging Markets Debt ETF	Invesco	NYSE Arca	0.29%	10/4/2018
BSBE	Invesco BulletShares 2022 USD Emerging Markets Debt ETF	Invesco	NYSE Arca	0.29%	10/4/2018
BSCE	Invesco BulletShares 2023 USD Emerging Markets Debt ETF	Invesco	NYSE Arca	0.29%	10/4/2018
BSDE	Invesco BulletShares 2024 USD Emerging Markets Debt ETF	Invesco	NYSE Arca	0.29%	10/4/2018
FLSA	Franklin FTSE Saudi Arabia ETF	Franklin Templeton	NYSE Arca	0.39%	10/9/2018
FLLA	Franklin FTSE Latin America ETF	Franklin Templeton	NYSE Arca	0.19%	10/9/2018
FLZA	Franklin FTSE South Africa ETF	Franklin Templeton	NYSE Arca	0.19%	10/10/2018
MUST	Columbia Multi-Sector Municipal Income ETF	Columbia Threadneedle	NYSE Arca	0.28%	10/10/2018
ESPO	VanEck Vectors Video Gaming and eSports ETF	VanEck	NYSE Arca	0.55%	10/16/2018
JMST	JPMorgan Ultra-Short Municipal ETF	JPMorgan	CBOE	0.18%	10/16/2018
PQLC	PGIM QMA Strategic Alpha Large-Cap Core ETF	Prudential	NYSE Arca	0.17%	10/17/2018
XKCP	SPDR Kensho Clean Power ETF	State Street Global Advisors	NYSE Arca	0.45%	10/23/2018
XKFF	SPDR Kensho Final Frontiers ETF	State Street Global Advisors	NYSE Arca	0.45%	10/23/2018
KOMP	SPDR Kensho New Economies Composite ETF	State Street Global Advisors	NYSE Arca	0.20%	10/23/2018

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

New launches (cont'd)

Ticker	Name	Sponsor	Exchange	Net OER	Launch date
DSTL	Distillate U.S. Fundamental Stability & Value ETF	Distillate Capital	NYSE Arca	0.39%	10/24/2018
EAGG	iShares ESG U.S. Aggregate Bond ETF	BlackRock	NYSE Arca	0.10%	10/24/2018
MFMS	Motley Fool Small-Cap Growth ETF	Motley Fool	CBOE	0.85%	10/30/2018
JMUB	JPMorgan Municipal ETF	JPMorgan	CBOE	0.24%	10/31/2018
PACA	Xtrackers MSCI Latin America Pacific Alliance ETF (PACA)	Deutsche Bank	NYSE Arca	0.45%	10/31/2018
GOAT	VanEck Vectors Morningstar Global Wide Moat ETF	VanEck	NYSE Arca	0.52%	10/31/2018
DURA	VanEck Vectors Morningstar Durable Dividend ETF	VanEck	NYSE Arca	0.29%	10/31/2018

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

New filings

Name	Sponsor
Amplify Growth Opportunities ETF	Amplify Investments
Direxion International Over US ETF	Direxion
Direxion MSCI Developed Over Emerging Markets ETF	Direxion
Direxion MSCI Emerging Over Developed Markets ETF	Direxion
Direxion MSCI USA Cyclical Over Defensive ETF	Direxion
Direxion MSCI USA Defensive Over Cyclical ETF	Direxion
Direxion Russell 1000 Growth Over Value ETF	Direxion
Direxion Russell 1000 Value Over Growth ETF	Direxion
Direxion S&P Large Over Small Cap ETF	Direxion
Direxion S&P Small Over Large Cap ETF	Direxion
Direxion US Over International ETF	Direxion
GS Access Ultra Short Bond ETF	Goldman Sachs
GS Eurozone Banks ETF	Goldman Sachs
iM DBi Managed Futures Strategy ETF	iM Global Partner US
Innovator MSCI EAFE Buffer ETF - January	Innovator Capital Management
Innovator MSCI EAFE Power Buffer ETF - January	Innovator Capital Management
Innovator MSCI EAFE Ultra Buffer ETF - January	Innovator Capital Management
Innovator MSCI Emerging Markets Buffer ETF - January	Innovator Capital Management
Innovator MSCI Emerging Markets Power Buffer ETF - January	Innovator Capital Management
Innovator MSCI Emerging Markets Ultra Buffer ETF - January	O'Shaughnessy

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

New filings (cont'd)

Name	Sponsor
Innovator Russell 2000 Buffer ETF - January	Innovator Capital Management
Innovator Russell 2000 Power Buffer ETF - January	Innovator Capital Management
Innovator Russell 2000 Ultra Buffer ETF - January	Innovator Capital Management
Innovator S&P 500 Buffer ETF - January	Innovator Capital Management
Innovator S&P 500 Power Buffer ETF - January	Innovator Capital Management
Innovator S&P 500 Ultra Buffer ETF - January	Innovator Capital Management
Innovator Technology Buffer ETF - January	Innovator Capital Management
Innovator Technology Power Buffer ETF - January	Innovator Capital Management
Innovator Technology Ultra Buffer ETF - January	Innovator Capital Management
O'Shares US 100 Mega Cap Equal Weight ETF	O'Shares
O'Shares US 500 Large Cap Equal Weight ETF	O'Shares
O'Shares US Large Cap Quality Dividend Growers ETF	O'Shares
O'Shares US Large Cap Quality Value ETF	O'Shares
O'Shares US Small Cap Quality Dividend Growers ETF	O'Shares
O'Shares US Small Cap Quality Value ETF	O'Shares
Tortoise Cloud Infrastructure ETF	Tortoise Index Solutions
Tortoise Electronic Transactions ETF	Tortoise Index Solutions
US Vegan Climate ETF	Beyond Advisors
Virtus WMC Risk-Managed Alternative Equity ETF	Virtus
Western Asset Short Duration Income ETF	Legg Mason

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

Announced closures

Amplify ETFs– Announced October 9, 2018

Ticker	Fund name	Expected closure
YESR	Amplify YieldShares Senior Loan and Income ETF	10/24/2018

Blackrock– Announced October 12, 2018

Ticker	Fund name	Expected closure
DLBL	iShares iBonds Dec 2018 Term Corporate ETF	12/17/2018

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

Announced product changes

OER change

GraniteShares – Announced October 3, 2018

Ticker	Name	Previous OER	New OER
BAR	GraniteShares Gold Trust	0.20%	0.17%

Name changes

BlackRock – Announced October 23, 2018

Ticker	Previous Name	New Name
ESGE	iShares MSCI EM ESG Optimized ETF	iShares ESG MSCI EM ETF
ESGD	iShares MSCI EAFE ESG Optimized ETF	iShares ESG MSCI EAFE ETF
ESGU	iShares MSCI USA ESG Optimized ETF	iShares ESG MSCI USA ETF
ESML	iShares MSCI USA Small-Cap ESG Optimized ETF	iShares ESG MSCI USA Small-Cap ETF

Ticker change

BlackRock – Announced October 23, 2018

	Previous	New
Ticker	MPCT	SDG
Fund Name	iShares MSCI Global Impact ETF	iShares MSCI Global Impact ETF

Announced changes refer to index changes, name changes, OER reductions, advisor/sub-advisor changes, etc. Only ETFs and affiliated ETFs within the same product suite with AUM greater than \$250M are covered in this section.

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

Definitions

ETFs (exchange-traded funds)

Exchange-traded funds consist of several different structures such as open-end funds, unit investment trusts (UITs), grantor trusts and commodity pools (limited partnerships). Exchange-traded notes (ETNs) are not structurally ETFs but another type of exchange-traded product. Exchange-traded funds represent the vast majority of these exchange-traded investment products, and the term ETF is often used as a catchall. Here, for the purposes of this ETF Industry Highlights, the label “exchange-traded fund” (ETF) is used as the umbrella term under which ETFs and ETNs fall.

ETMFs (exchange-traded managed funds)

An ETMF is a new type of open-end fund that combines 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.

Disclosures

Investors should carefully consider 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 877-824-5615. Please read the prospectus carefully before investing.

Investment returns will fluctuate and are subject to market volatility, so 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).

ETFs 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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