

ETF Assets Reached \$2.08 Trillion in 2014, Led by Independent Advisors and Private Banks, According to Broadridge Data

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LAKE SUCCESS, N.Y., Jan. 26, 2015 /PRNewswire/ -- With an eye on key trends that emerged in 2014 including increased interest among investors to move to independent advice models and the growth of passively managed investments, [Broadridge Financial Solutions](#), Inc. (NYSE: BR) today released data revealing trends in distribution of long-term mutual funds and ETFs among retail and institutional channels.

"ETF assets across all channels increased by 17 percent reaching \$2.08 trillion in 2014. Overall fund and ETF assets under management increased by 12 percent in 2014 and we saw independent broker-dealers and registered investment advisors continue to outpace wirehouses – a trend that we expect to continue in 2015," said Frank Polefrone, Senior Vice President, Access Data, a Broadridge company. "As part of the investor migration to independent advice models, we are also seeing an increased use of passive products among financial intermediaries, especially RIAs as they increasingly utilize ETFs."

Total third party distribution of long-term mutual fund and ETF assets increased to \$9.54 trillion in 2014, according data from Broadridge's [Fund Distribution Intelligence™](#) tool. The independent broker dealer (IBD) channel led in terms of total long-term mutual funds and ETF assets under management in 2014 representing \$2.33 trillion, followed by registered investment advisors (RIA) with \$1.74 trillion, wirehouses with \$1.68 trillion and private banks with \$1.49 trillion. IBDs were the leading distribution channel for long-term mutual funds in 2014, increasing \$213 billion to a total of \$1.95 trillion assets. The leading distribution channel for ETFs was RIAs, which accounted for \$413 billion in assets in 2014.

Broadridge's analysis also reveals a 19 percent growth of passive products across third party distribution channels compared to 12 percent growth of actively managed products. "The increased usage of passive products by financial intermediaries differs based on the type of firm. RIAs have a higher usage of ETFs and index mutual funds, while traditional broker dealers' usage of passive products has not changed to any great degree," added Polefrone.

The passive/actively managed mix among third party distributors increased from 27/73 percent at the end of 2013 to 29/71 percent by the end of the 2014. The largest users of passive products within the retail channels were RIAs, which saw an increase in usage from 31 to 34 percent in 2014 compared to 2013. Further to that point, RIAs had the most ETF assets under management of all the channels with 20 percent of total ETF assets. Comparatively, the IBD channel was essentially unchanged in its usage of passive products with a passive/managed mix of 17/83 percent in 2014. On the institutional side, the largest user of passive products was Private Banks, which increased usage to 45 percent in 2014 from 44 percent in 2013.

Broadridge's Fund Distribution Intelligence tool comprises the most complete sales and asset data collection in the industry, creating transparency into more than \$9 trillion of long-term mutual fund and ETF assets across 900+ distributors. This intelligence provides firms with critical information to help them make strategic decisions about distribution, product development, and sales and marketing, allocate resources effectively, and accelerate growth. Data is updated monthly and can be analyzed by channel, geography and more.

About Access Data

Access Data Corp., a Broadridge company, is a leader in enterprise data management, analysis and reporting for the financial services industry - providing data and reporting solutions covering 90% of all long-term fund assets and 95% of all ETF assets. Leading asset management firms and financial intermediaries utilize Access Data's proprietary technology and services to gain visibility into how sales and assets are generated and address a myriad of challenges in distribution, compensation management and compliance and risk management. Access Data's flagship product provides comprehensive storage and analysis solutions, delivering web-based reporting as Software as a Service. Please visit access-data.broadridge.com.

About Broadridge

Broadridge Financial Solutions, Inc. (NYSE: BR) is the leading provider of investor communications and technology-driven solutions for broker-dealers, banks, mutual funds and corporate issuers globally. Broadridge's investor communications, securities processing and business process outsourcing solutions help clients reduce their capital investments in operations infrastructure, allowing them to increase their focus on core business activities. With over 50 years of experience, Broadridge's infrastructure underpins proxy voting services for over 90% of public companies and mutual funds in North America, and processes more than \$5 trillion in fixed income and equity trades per day. Broadridge employs approximately 6,700 full-time associates in 14 countries.

For more information about Broadridge, please visit www.broadridge.com.

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