



Independent Broker-Dealers Continue to Drive Long-Term Mutual Fund and ETF Asset Growth, According to Broadridge and Strategic Insight

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LAKE SUCCESS, N.Y., Nov. 18, 2013 /PRNewswire/ -- Independent broker-dealers (IBDs) continue to lead in third party distribution of funds, accounting for \$1.9 trillion in long-term mutual fund and ETF assets under management (AUM) as of September 30, 2013, according to new quarterly data released today by Access Data, a [Broadridge Financial Solutions](#) (NYSE:BR) company, and [Strategic Insight](#), an Asset International company. Overall, third party distribution of long-term mutual fund and ETF AUM increased by 23 percent to \$8.3 trillion in the third quarter of 2013, compared to \$6.8 trillion in the same period last year.

(Logo: <http://photos.prnewswire.com/prmh/20110920/MM71626LOGO>)

According to data released today on Broadridge's Fund Distribution Intelligence™ tool, registered investment advisors (RIAs) ranked second with \$1.58 trillion in long-term mutual fund and ETF AUM at the end of the third quarter of 2013, followed closely by wirehouses with \$1.52 trillion AUM.

A deeper look into the data shows that the product mix making up the growth in year-to-date (YTD) AUM (ended September 30, 2013) varied by channel. The IBD channel overwhelmingly favored long-term mutual funds with a \$241 billion increase, representing 91 percent of 2013 YTD growth, versus \$24 billion, or nine percent for ETFs. In contrast, the RIA channel growth was more balanced with a \$99 billion increase in long-term mutual funds YTD, representing 65 percent of the growth in the RIA channel, versus a \$53 billion increase, or 35 percent for ETFs. Wirehouse firms were similar to IBDs with the majority of the increase coming from long-term funds over ETFs, \$115 billion to \$36 billion, respectively.

"As market conditions improve, we continue to see total long-term mutual fund and ETF AUM within third party distribution increase significantly, on both a year-to-date and year-over-year basis. While the independent channels continue to drive overall growth, the use of products varies by type of firm. IBDs continue to show a preference for mutual funds, while RIAs utilize funds and ETFs more evenly," said Frank Polefrone, Senior Vice President, Access Data, Broadridge.

Strategic Insight estimated net flows for these channels and found that, while all channels experienced growth due to market appreciation, the mix of net investor demand between funds and ETFs differed across market segments. The aggregate IBD channel, for example, led net inflows to mutual funds over the first nine months of 2013 – attracting \$64 billion of net commitments. Within ETFs, the RIA channel displayed the strongest demand with roughly \$30 billion of net inflows to ETFs in the YTD period ended September 30, 2013. Flows to actively managed funds were led by emerging markets equity, multi-asset allocation funds and the burgeoning liquid alternative space. U.S. equity strategies have been a primary driver of net investor demand within ETFs.

"While, in general, we continue to witness increasing use of mutual funds *and* ETFs together in investors' and advisors' portfolios; the characteristics of demand across different asset classes, distribution channels and even individual distributors can vary in important ways," commented Dennis Bowden, Assistant Director of US Research at Strategic Insight. "Whether analyzing the characteristics of active fund demand within important categories or the expanding presence of ETFs within the intermediary-sold marketplace, the ability to examine the nuances of these trends across channels is becoming more essential for fund and ETF managers."

The [Fund Distribution Intelligence](#) tool comprises the most complete sales and asset data collection in the industry, creating transparency into more than \$8 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 6,400 full-time associates in 13 countries.

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

About Strategic Insight

For more than 20 years, Strategic Insight has been at the forefront of thorough, unbiased mutual fund industry research and business intelligence. We provide our variety of products and services to a range of clients, including executives from more than 200 investment management and insurance companies, distributors, investment banks, hedge funds, consultants and law firms. Strategic Insight's parent company, Asset International, delivers critical, cutting edge data, research and marketing programs to mutual fund companies, banks, asset managers and insurance companies worldwide. The company has offices in New York, Boston, Hong Kong, London, Melbourne and Stamford, CT. For additional information, visit Sionline.com.

Media Contacts:

For Access Data	
Linda Namias	Maggie Nolan
Broadridge Financial Solutions	Brainerd Communicators, Inc.
+1 631-254-7711	+1 212-986-6667
linda.namias@broadridge.com	nolan@braincomm.com
For Strategic Insight	
Dennis Bowden	
Strategic Insight, an Asset International company	
+ 1 212-217-6895	
dbowden@sionline.com	

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