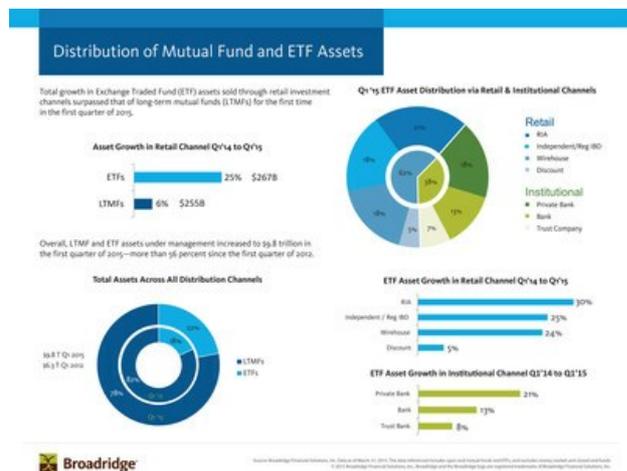


ETFs Outgrew Mutual Funds in Retail Channels for the First Time in Q1, According to Broadridge

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LAKE SUCCESS, N.Y., May 4, 2015 /PRNewswire/ -- Total growth in Exchange Traded Fund (ETF) assets sold through retail investment channels surpassed that of long-term mutual funds for the first time last quarter, according to data released today by [Broadridge Financial Solutions, Inc.](#), (NYSE: BR) via its [Fund Distribution Intelligence](#) tool. Over the past year, ETF assets sold through independent and wirehouse broker dealers, registered investment advisors and discount brokerage firms grew \$267 billion, while mutual fund assets sold through the same channels grew \$255 billion.



Total ETF assets sold through retail and institutional investment channels increased 21 percent over the first quarter of last year, or \$379 billion, and reached \$2.19 trillion.

"ETFs are gaining ground among retail distributors driven by a few key factors, namely their low cost structure, but also the fact that ETFs are used in asset allocation models, which are more prevalent among retail advisors," said Frank Polefrone, senior vice president, Access Data, a Broadridge company. "While mutual fund assets continued to grow in the retail channels, this growth was outpaced on an absolute basis by ETFs – the first time this has happened since we started tracking this data more than four years ago."

Registered investment advisors (RIAs) continued to be the leading distributors of ETFs in the first quarter of 2015, representing \$472 billion in ETF assets, followed by independent broker-dealers (\$400 billion) and wirehouse firms (\$385 billion).

Mutual Fund Assets Grew Nearly 10 Percent, Led by Institutional Channels

Mutual fund assets grew 9.5 percent or \$665 billion year-over-year in the first quarter of 2015, largely driven by institutional channels. Banks, private banks and trust companies saw mutual fund assets grow by \$410 billion, or 17 percent.

"The fact that mutual fund assets have grown more rapidly in the institutional channels versus retail channels over the past year is a new development," added Mr. Polefrone. "This shift is being driven by the increased use of passive mutual fund products, and reflects a higher concentration of passive products used in the institutional channels overall."

Additional findings:

- Overall, long-term mutual fund and ETF assets under management from third party distribution channels increased to \$9.8 trillion in the first quarter of 2015 -- up almost 12 percent since the first quarter of 2014.
- In the past year, ETF assets distributed in retail channels increased at more than twice the rate of ETF assets in institutional channels (\$267 billion and \$112 billion, respectively).
- Banks showed the highest year-over-year increase in mutual fund assets under management on a percentage basis, rising 23 percent, or \$147 billion.

"Our data not only provides insight into emerging distribution channels that present growth opportunities, but also gives fund firms visibility into their own market share," said Gerard F. Scavelli, president, Mutual Funds and Retirement Solutions Group, Broadridge. "This intelligence allows firms to improve strategic decisions regarding distribution, product development, and sales and marketing to allocate resources effectively, and accelerate growth."

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.

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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