



ETFs Continue to Widen Growth Gap over Mutual Funds in Retail Investment Channels, According to Broadridge Financial Solutions

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LAKE SUCCESS, N.Y., July 29, 2015 /PRNewswire/ -- Retail channels continued to drive exchange-traded fund (ETF) growth through the second quarter of 2015, increasing assets in absolute dollars by \$265 billion over the past year, and outpacing the \$200 billion in long-term mutual fund (LTMF) assets distributed by retail channels, according to data released today by [Broadridge Financial Solutions, Inc.](#), (NYSE:BR) via its [Fund Distribution Intelligence](#) tool.



More than 87 percent of ETF asset growth in the year ending June 30, 2015 was generated from retail distribution channels, which was led by registered investment advisors (RIAs) with total ETF assets of \$496 billion – a \$78 billion increase compared to the same period last year. The wirehouse channel moved into second place behind RIAs with total ETF assets of \$397 billion, and a \$70 billion increase over last year.

"The retail channels drove the growth of ETF assets with a 20 percent increase over last year ending June 30, and almost all of the increase came from retail channels – RIAs, independent broker-dealers, wirehouses and discount broker-dealers," said Frank Polefrone, senior vice president of Broadridge's Access Data product suite. "Retail channels' dominance for ETF asset growth was even more pronounced on a year-over-year basis, with all of the \$116 billion of increased ETF assets coming from retail distribution channels."

The largest holders of ETFs are RIAs with \$500 billion of ETF assets. The growth of ETFs in the RIA channel continues to outpace all other distribution channels, and the product-type driving this growth over the past year was equity products, representing 88 percent of the net increase in ETF assets. Fixed income ETFs represented 15 percent of the overall net increase during the same period, while commodity ETF assets showed a 4 percent net decline in assets over the same period. Other categories, to include liquid alternatives and allocation funds showed essentially no change in overall assets within the RIA channel over the past year.

Additional findings in the second quarter of 2015:

- Total assets under management increased 14 percent for ETFs and 6 percent for LTMFs during the year ending June 30, 2015.
- The RIA channel outpaced all other channels for combined ETF and LTMF asset growth during this period.
 - The combined ETF and LTMF increase of \$208 billion was more than one and a half times other retail channels.
 - The LTMF increase of \$130 billion in RIAs far outpaced all other channels, and was two times that of other retail channels.
- Almost all the combined LTMF and ETF asset increase for the wirehouse channel came from ETFs during the year ending June 30, 2015
 - ETF assets were up \$70 billion, or 21 percent
 - LTMF assets were up only \$6 billion, one-half of 1 percent.
- ETFs increasingly represent a larger portion of retail advisors' overall investment dollars.
 - In June of 2014, ETF retail channels represented 60 percent of overall ETF assets.
 - In June of 2015, retail channels increased to 63 percent of overall ETF assets.

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 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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