

European Exchange-Traded Funds 2020

Adding Variety to Low Costs and Transparency

OVERVIEW & METHODOLOGY

The report features in-depth analysis of the evolution of the European exchange-traded fund (ETF) industry and emerging trends in the main markets across Europe. The publication identifies key industry trends, examines ETF providers' product development activity, and outlines current and expected demand across retail and institutional channels such as private banks and wealth managers, independent financial advisors (IFAs), pension funds, and insurers. It shows how players can capitalize on growing interest from investors in this domain. The report provides insight into the barriers to the growth of ETFs, in-depth coverage of ETF demand and product development efforts, and analysis of ETF distribution challenges and opportunities.

Our research covers seven key markets: the U.K., Germany, Italy, Switzerland, France, Spain, and Sweden. ETF providers and asset managers interested in understanding investors' appetite for different types of ETFs (e.g., passive, smart beta, thematic, and environmental, social, and governance ETFs) and the expected rate of growth in the main European fund markets will gain insights from this work, which examines in detail the key trends in this growing space.

USE THIS REPORT TO

- Learn which ETF strategies will see the most demand in the different European countries
- Understand how ETF providers are approaching product development practices and the opportunities that exist in this space
- Analyze how private banks, independent wealth managers (IWMs), and IFAs are using ETFs and what level of growth they anticipate for passive, smart beta, and actively managed ETFs
- Review how demand for ESG and thematic ETFs is evolving and what strategies will experience the most demand in Europe
- Gain insight into which distribution channels offer the best opportunities in each of the seven major European markets

QUESTIONS ANSWERED

- How has the European ETF market evolved since its launch and what is next for the sector?
- What role are ESG ETFs set to play in the European market?
- How will different ETF products perform across Europe over the next two years?
- To what extent are European investors embracing thematic ETFs?
- What are European private banks looking for in ETFs and which types of ETF do they prefer?

PRODUCT DETAILS

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- Digital report in PDF format
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- Exhibits in Excel
- Key findings
- Analyst support
- Interactive Report Dashboards

Interactive Report Dashboards

Interact and explore select report data with Cerulli's visualization tool.

• Market Overview:

- Explore historical data covering European ETF assets under management (AUM) and number of ETFs, which includes passive, smart beta, active, thematic, and environmental, social, and governance (ESG) ETFs.
- Compare Cerulli's ETF asset projections against customizable user growth rates.
- Understand the distribution landscape for ETFs in seven major European countries.

• Product Demand:

- Gain insight into European ETF issuers' views on the likely growth of passive, smart beta, and active ETF assets in Europe over the next 12–24 months, as well as their anticipated number of ETF launches and closures in the next 12 months.
- Review ETF issuers' growth expectations for European ETFs, anticipated demand for various strategies and ESG ETFs, and views on the most in-demand geographic exposures on a country-by-country basis.

• Channel Demand:

- Analyze the anticipated demand for passive, smart beta, active, ESG, and thematic ETFs by channel among seven major European countries.



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What role are ESG ETFs set to play in the European market?

ESG ETFs are attracting significant attention in Europe and demand for such products is expected to grow over the next 12 to 24 months. More than half (57%) of the ETF issuers Cerulli surveyed identified the development of ESG ETF products as a top priority for their firms over the next two years. European ESG ETFs have already seen sustained growth over the past two years and by the end of May 2020, European

ESG ETFs assets reached €36.5 billion (US\$41.1 billion), up 28% from the end of 2019. Several ETF issuers have launched innovative offerings in this domain in the past two years, widening product availability in the market. Issuers have a significant opportunity to develop products in this area, but they will need to ensure that their products are well understood and can deliver on all fronts in order to stand out from the crowd.

Exhibit 1.11 European ETF Issuers' Priorities Over the Next Two Years, 2020

Sources: Cerulli Associates | Analyst Note: ETF issuers were asked what their main priorities are over the next 12 to 24 months.

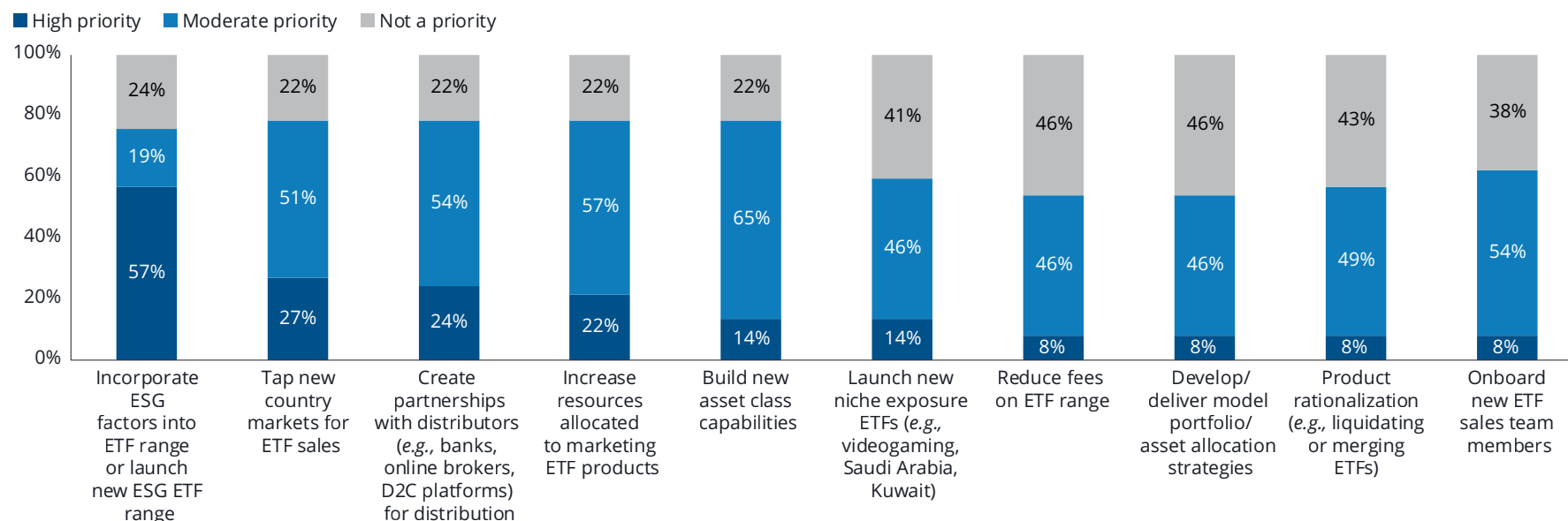


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