

European Passive Investments 2021

Achieving Success in a Growing Segment

OVERVIEW & METHODOLOGY

This report features in-depth analysis of the evolution of passive investing in Europe, with a focus on the European exchange-traded fund (ETF) and index fund markets and the emerging trends in the main markets across the region: the U.K., Germany, Italy, Switzerland, France, Spain, and Sweden.

The publication examines the state of ETF and index fund distribution and assesses the implications for providers, showing how players can capitalize on growing interest from investors in the passive space, especially within the popular environmental, social, and governance (ESG) funds and thematic ETF product segments.

USE THIS REPORT TO

- Identify key industry trends, examine ETF issuers' and index fund providers' product development activity, and outline current and expected demand across retail and institutional channels
- Gain insight into the barriers to growth, in-depth coverage of demand and product development efforts, and analysis of distribution challenges and opportunities
- Explore market sizing data on the historical growth of the passive ESG product universe in Europe, and a comprehensive overview of the ESG ETF and ESG index fund landscapes
- Analyze the thematic ETF market in Europe, which includes market sizing data, future growth expectations, current outstanding concerns, and a detailed look at the themes and trends expected to be popular over the coming years

QUESTIONS ANSWERED

- How are ETF issuers and index fund providers approaching product development with sustainability in mind, and what are the main opportunities and challenges in this space?
- Which ETF and index fund strategies will see the most demand in the different European markets?
- What are the main barriers to the take-up of ETFs across Europe?
- What are the growth prospects for the ETF and index fund markets over the next two years in different European markets?
- What will be the most popular investment themes in the fast-growing thematic ETF market over the next 12 to 24 months?

PRODUCT DETAILS

Included with Purchase

- Digital report in PDF format
- Unlimited online firm-wide access
- 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:** Review assets under management (AUM) and net new flows (NNF) for European ETFs and index funds, alongside the top-10 ETF issuers and index fund providers by AUM; explore index fund AUM, growth, and anticipated demand by country; and forecast the growth of European ETF and index mutual fund assets.
- **Passive ESG Investing:** Evaluate the passive ESG market in Europe with data covering ETF and index fund AUM and NNF by asset class and implementation type, ETF issuers' and index fund providers' expected changes to levels of demand, and the primary sources of demand.
- **Thematic ETFs:** Assess AUM and NNF of thematic ETFs in Europe by year and theme, the top-10 providers and funds, demand expectations, and sentiments on current and anticipated demand for these products.



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Although the index fund market is expected to continue to grow throughout Europe, its growth will still be more limited than that of ETFs. As **Exhibit 1.18** shows, the highest level of growth is expected in Sweden, where 36% of the managers Cerulli surveyed anticipate fast growth, compared to 17% in the UK. One-third of respondents expect slow growth in France and 6% expect no growth at all in the UK.

The strategies that the index fund providers Cerulli surveyed believe will be in most demand in Europe over the next 12 to 24 months vary by market. For example, in the UK, Italy, and Sweden, global equity index fund products are expected to see the most demand. In Germany, European equities are expected to be the most in-demand strategies (see **Exhibit 1.19**).

Exhibit 1.18
European Index Fund Providers' Views on the Likely Growth of Index Fund Assets in Europe Over the Next 12-24 Months, 2021

Source: Cerulli Associates | **Analyst Note:** Index fund providers were asked how rapidly they think index fund assets will grow in selected markets over the next 12 to 24 months.

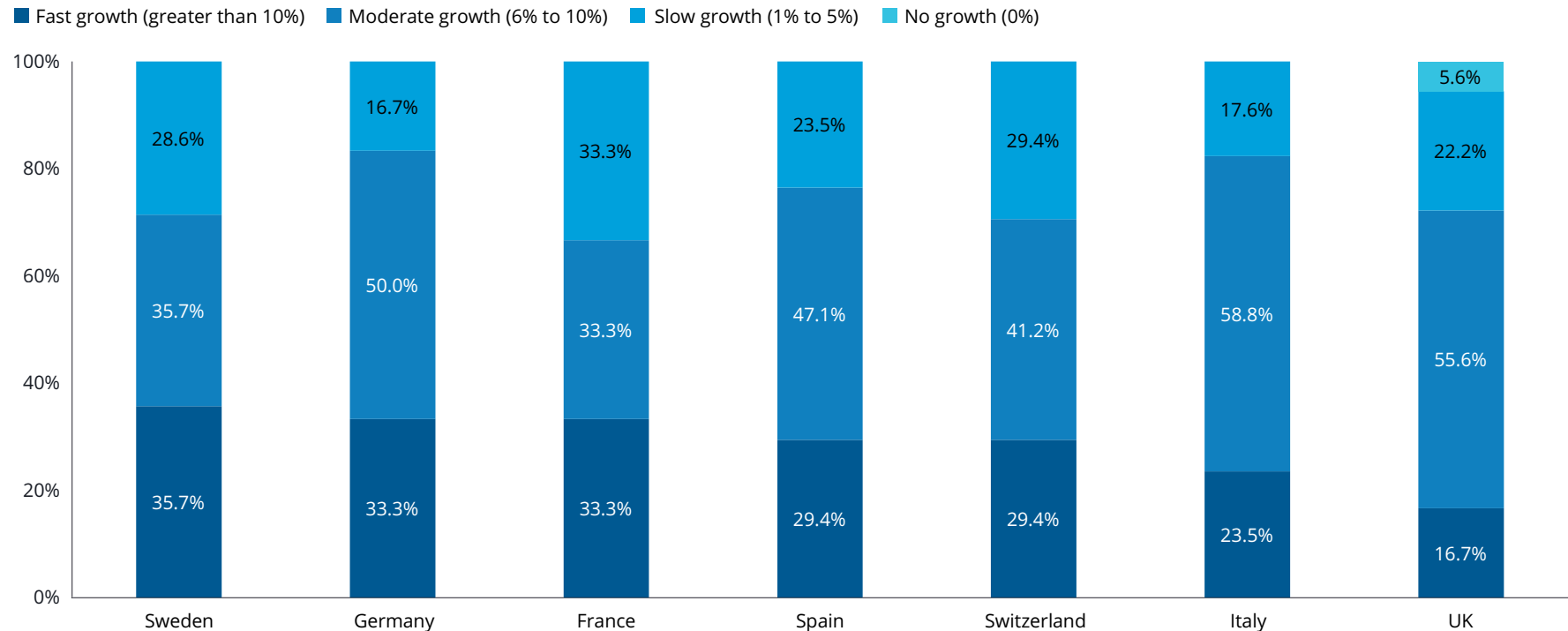


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